

FRANCHISE DISCLOSURE DOCUMENT



Mosquito Hunters, LLC
A Delaware Limited Liability Company
142 State Route 34
Holmdel, New Jersey 07733
(732) 946-4300

franchiseinformation@mosquitohunters.com
<http://www.mosquitohuntersfranchise.com>

The franchise offered is for the right to operate a “PEST HUNTERS-MOSQUITO HUNTERS-HUMBUG HOLIDAY LIGHTING” business, which specializes in (1) pest control services under the PEST HUNTERS-MOSQUITO HUNTERS trademarks offering a distinctive solution for the eradication of a wide range of pests, including mosquitoes, fleas, ticks, ants, spiders, rodents, cockroaches, and other pests, through a regular spraying system and maintenance program for residential and commercial application, and (2) the design, installation, maintenance, removal, and storage of holiday lighting and décor under the HUMBUG HOLIDAY LIGHTING trademark.

The total investment necessary to begin operation of a Pest Hunters-Mosquito Hunters-Humbug Holiday Lighting Business franchise is \$117,570 to \$139,743. This includes \$80,500 that must be paid to the franchisor.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Courtney (Court) Aiken at 142 State Route 34, Holmdel, New Jersey 07733, (732) 946-4300.

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

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

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

Issuance date of this Franchise Disclosure Document: April 29, 2026

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit G and Exhibit H.
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 I 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 Pest Hunters-Mosquito Hunters-Humbug Holiday Lighting business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Pest Hunters-Mosquito Hunters-Humbug Holiday Lighting franchisee?	Item 20 or Exhibit G and Exhibit H lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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 its then-current home state (which currently is New Jersey). 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 its then-current home state (which currently is New Jersey) than in your own state.
2. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sale levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
3. **Inventory/Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

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

THE FOLLOWING APPLY TO TRANSACTIONS GOVERNED BY
THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY

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

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

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

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

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

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

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be directed to:

Michigan Department of Attorney General
Corporate Oversight Division – Franchise Section
525 W. Ottawa Street
G. Mennen Williams Building, 5th Floor
Lansing, Michigan 48913
(517) 335-7567

Notwithstanding paragraph (f) above, MH intends to enforce fully the provisions of the arbitration section of its Franchise Agreement. MH believes that paragraph (f) is unconstitutional and cannot preclude it from enforcing its arbitration provision. If you acquire a franchise, you acknowledge that MH will seek to enforce that section as written, and that the terms of the Franchise Agreement will govern MH's relationship with you, including the specific requirements of the arbitration section.

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

To simplify the language in this Franchise Disclosure Document (“Disclosure Document”), “MH” means Mosquito Hunters, LLC, the franchisor. “You” means the person to whom MH grants a franchise to operate a Pest Hunters-Mosquito Hunters-Humbug Holiday Lighting Business. You must sign the Franchise Agreement (the “Agreement”) attached as Exhibit A in your individual capacity. If you want an entity that you own to operate the franchise, you must sign the Assignment and Assumption Agreement (Exhibit C) under which all the provisions of the Agreement will apply to the entity and its owners (including you).

MH is a Delaware limited liability company and operates under its own name and the trademarks PEST HUNTERS, MOSQUITO HUNTERS, and HUMBUG HOLIDAY LIGHTING. MH’s principal business address is 142 State Route 34, Holmdel, New Jersey 07733. MH began offering franchises for Mosquitos Hunters Businesses under the MOSQUITO HUNTERS trademark in May 2018. MH added holiday lighting and décor services under the HUMBUG HOLIDAY LIGHTING trademark as a central part of this “combination” franchise opportunity in approximately April 2024, although existing franchisees received the opportunity to add the HUMBUG HOLIDAY LIGHTING service line to their existing businesses beginning in December 2023. MH began using the additional trademark “PEST HUNTERS” to identify its franchised business beginning in March 2025. MH’s direct parent company is LD Parent, Inc., which has the same principal business address as MH. MH’s indirect parent company is CNL Strategic Capital, LLC, whose principal business address is 450 S. Orange Avenue, Suite 1400, Orlando, Florida 32801. If MH has an agent in your state for service of process, it discloses that agent in Exhibit E.

MH’s predecessor is MH Franchising, LLC, from which MH acquired the Mosquito Hunters franchise system in May 2018. MH Franchising, LLC’s principal business address was 751-C Kenmoor Avenue SE, Grand Rapids, Michigan 49546. MH Franchising, LLC began offering Mosquitos Hunters franchises under the MOSQUITO HUNTERS trademark in January 2015 and had sold 8 franchises as of May 2018 when MH acquired the franchise system. MH Franchising, LLC never operated a Mosquito Hunters Business (although its affiliate operated the concept beginning in November 2013) or offered franchises in another line of business.

MH uses the Agreement to grant franchises for Pest Hunters-Mosquito Hunters-Humbug Holiday Lighting Businesses to qualified persons (“franchisees”) who agree to adhere to the overall mission and core values underlying the Pest Hunters-Mosquito Hunters-Humbug Holiday Lighting Business system and understand that they are the means of delivering on the mission. A “Pest Hunters-Mosquito Hunters-Humbug Holiday Lighting Business” is identified by MH’s trademarks—including the “PEST HUNTERS” name and logo, the “MOSQUITO HUNTERS” name and logo, and the “HUMBUG HOLIDAY LIGHTING” name and logo appearing on the cover page of this Disclosure Document (the “Marks”)—and uses MH’s systems, standards, and know-how. In this Disclosure Document, we refer to the Pest Hunters-Mosquito Hunters-Humbug Holiday Lighting Business that you will operate as the “Business” and use the shortened term “Hunters-Humbug Businesses” to refer generally to Pest Hunters-Mosquito Hunters-Humbug Holiday Lighting Businesses. MH has never operated a Hunters-Humbug Business or offered

franchises in another line of business. It has no business activities other than granting franchises for Hunters-Humbug Businesses.

A Hunters-Humbug Business offers, under the Marks, (1) outdoor pest control services specializing in the eradication of a wide range of pests, including mosquitoes, fleas, ticks, ants, spiders, rodents, cockroaches, and other pests, through a regular spraying system and maintenance program for residential and commercial application and (2) the design, installation, maintenance, removal, and storage of holiday lighting and décor. The Hunters-Humbug Business franchise will use MH's methods and techniques, together with its marketing programs, call center, and customer guaranties. MH and its predecessor have developed, and MH is making available to franchisees, comprehensive business methods and systems for developing and operating a Hunters-Humbug Business, including technical information and expertise relating to authorized products and services MH authorizes. MH's system also includes market selection, site selection criteria, sales, marketing and advertising programs, and management information and techniques. You will operate within a specific territory (the "Territory").

The market for the pest control services offered by your Business is highly developed and highly competitive. Your competitors include both independent and franchised pest control services (all of which may be part of local, regional, or national chains) and the sale of retail pest control products directly to the customer for self-application. Your Business will be mobile because you will offer your products and services directly to consumers at their residence or, with commercial customers, at their places of business. Your market will be members of the general population. Your sales of pest control services will be seasonal in certain markets (for example, those that have cold fall and winter seasons) and more year-round in other markets with warm or hot weather throughout the year.

The market for the holiday lighting and décor services offered by your Business also is highly developed and highly competitive. Your competitors include both independent and franchised businesses as well as homeowners or business owners who buy holiday lighting and décor materials directly in order to install themselves. As with the pest control services, your Business will be mobile because you will offer your products and services directly to consumers at their residence or, with commercial customers, at their places of business. Your market will be members of the general population. Your sales of lighting and décor services will be seasonal, typically focused only on the holiday season late in the calendar year.

In providing pest control services, your Business must comply with federal and state licensing and regulatory requirements for pesticide applicators, including the Federal Insecticide, Fungicide and Rodenticide Act. Your Business also must comply with all local, state, and federal laws that apply generally to all businesses.

MH is affiliated (by virtue of the same parent company) with Lawn Doctor, Inc. ("LDI"), which has the same principal business address as MH. LDI offers and grants franchises for LAWN DOCTOR Businesses, the primary activity of which is to establish, care for, and maintain lawns and other vegetation in an identified territory. LDI also may require its franchisees to provide other services, including mosquito control. LAWN DOCTOR Businesses analyze lawn problems and care requirements, formulate and apply lawn chemicals and seed, market and promote the

Business, and operate and maintain necessary equipment. They may offer optional services, such as liming, fungus control, grub treatments, and tree and shrub feeding. LDI has offered franchises since 1967 and, as of December 31, 2025, had 672 franchised LAWN DOCTOR Businesses in operation. LDI has never operated or offered franchises for a Hunters-Humbug Business or offered franchises in another line of business.

Beginning in approximately February 2024, LDI began offering Lawn Doctor Businesses the right (but no obligation) to add the “HOLIDAY LIGHTING HEROES” holiday lighting and décor services line as an authorized service to be offered and sold by their LAWN DOCTOR Businesses (the “HLH Service Line”). The HLH Service Line is identical to “HUMBUG HOLIDAY LIGHTING” holiday lighting and décor services except for the trademark under which the HLH Service Line is offered and sold. As of April 2025, the HLH Service Line is a standard part of the LAWN DOCTOR Business franchise opportunity.

MH is affiliated (by virtue of the same parent company) with ecomaids LLC (“EM”), which has the same principal business address as MH. EM offers and grants franchises for “ECOMAIDS” businesses providing environmentally-friendly home cleaning services. EM has offered franchises since September 2019, although its predecessor began offering franchises in August 2012. EM has never operated or offered franchises for a Hunters-Humbug Business or offered franchises in another line of business. As of December 31, 2025, there were 40 franchised ECOMAIDS businesses operating in the United States.

MH is affiliated (by virtue of the same parent company) with Elite Franchising Corp. (“Elite”), whose principal business address is 4 - 28 Steve Fonyo Dr., Kingston, ON (CANADA) K7M 8N9. Elite provides window cleaning, gutter cleaning, house washing, and screen cleaning services to residential and commercial customers as well as holiday lighting and décor services. Elite’s predecessor began franchising in 2013. Elite commenced offering franchises in May 2023. Elite has never operated or offered franchises for Hunters-Humbug Businesses or offered franchises in another line of business. As of December 31, 2025, there were 15 franchised ELITE businesses operating in Canada.

MH is affiliated (by virtue of the same parent company) with Sparkle Squad, LLC (“SS”), which has the same principal business address as MH. SS offers and grants franchises for “SPARKLE SQUAD” businesses, which provide residential and commercial window cleaning services to a height of up to 60 feet, gutter cleaning, screen cleaning, house washing, pressure washing, and soft washing services, and holiday lighting and décor services. SS has offered franchises since September 2023. SS has never operated or offered franchises for a Hunters-Humbug Business or offered franchises in another line of business. As of December 31, 2025, there were 99 franchised Sparkle Squad businesses operating in the United States.

Levine Leichtman Capital Partners (“LLCP”) Affiliate Franchise Programs

Our Affiliated Franchise Programs

Through common ownership with investment funds controlled by LLCP, an affiliate, we are affiliated with the franchise programs listed below. None of these affiliates has offered

franchises in any line of business other than as listed below or conducted a Hunters-Humbug Business:

- (1) Kilwins Chocolates Franchise, Inc. (“Kilwins”) franchises the right to operate a “Kilwins Full Line Chocolates, Confectionery & Ice Cream Store” or a “Kilwins Ice Cream & Chocolates Shop,” which specializes in the sale of Kilwins-approved hand-crafted chocolates, Kilwins brand original recipe ice cream, fudge, and other confections. Kilwins has been operating stores since 1993 and franchising stores since March 1981. As of December 31, 2025, there were 187 Kilwins stores in operation in the United States. Kilwins’ principal place of business is located at 1050 Bay View Road, Petoskey, Michigan 49770.
- (2) ZGS Bildungs-GmbH (“Schülerhilfe”) franchises the right to operate businesses in Germany, Austria, and Switzerland providing private tutoring services under the principal trademark “Schülerhilfe.” Schülerhilfe has offered franchises since 1983 and, as of December 31, 2025, there were 421 franchised Schülerhilfe businesses operating outside the United States. Schülerhilfe’s principal business address is Ludwig-Erhard-Straße 2, 45891 Gelsenkirchen, Germany.
- (3) SYNERGY HomeCare Franchising, LLC (“SYNERGY HomeCare”) franchises the right to operate businesses that offer non-medical, in-home personal assistance, such as in-home personal care and companionship, child care, meal preparation, medication reminders, medical and social appointment scheduling and management, organizational and bill paying assistance, house cleaning services, and light home maintenance to seniors, the convalescing, disabled persons, and others who need help with daily living activities. SYNERGY HomeCare has offered franchises for this business since 2005. As of December 31, 2025, there were 255 SYNERGY HomeCare Businesses operating in 626 territories in the United States. SYNERGY HomeCare’s principal place of business is 960 W. Elliot Road, Suite 101, Tempe, Arizona 85284.
- (4) Shipley Franchise Company LLC (“Shipley Do-Nuts”) franchises the right to operate a “Shipley Do-Nuts Shop,” which specializes in the sale of donuts and kolaches prepared fresh daily using the original recipe from 1936. Shipley Do-Nuts first offered licenses in 1957 and then franchises beginning in 1987. As of December 31, 2025, there were 381 franchised Shipley Do-Nuts shops in operation in the United States. Shipley Do-Nuts’ principal place of business is 55 Waugh Drive, Suite 1200, Houston, Texas 77007.

Item 2

BUSINESS EXPERIENCE

Chairman: Scott D. Frith

Mr. Frith has been MH's Chairman since May 2018. Mr. Frith also has been Chairman of LDI, EM, and SS located in Holmdel, New Jersey, and Elite, located in Kingston, Ontario, since December 2011, May 2019, September 2023, and October 2022, respectively. Mr. Frith was appointed Chief Executive Officer of LDI in December 2011.

President: Courtney (Court) Aiken

Mr. Aiken has been our President since December 2025. He held various positions with Threshold Brands in Cleveland, Ohio beginning in January 2022, including Operations and Training Manager from January 2022 through February 2023, Director of Operations from February 2023 through February 2024, and President from February 2024 through September 2025. He also was a franchisee of Jake's Wayback Burgers in West Chester, Ohio from January 2020 through June 2024.

Chief Financial Officer and Secretary: John (Jack) Miskin

Mr. Miskin has been MH's Chief Financial Officer and Secretary since May 2018. Mr. Miskin also has been Chief Financial Officer and Secretary of LDI, EM, and SS located in Holmdel, New Jersey, and Elite, located in Kingston, Ontario, since November 2016, May 2019, September 2023, and October 2022, respectively.

Senior Vice President of Franchise Development: Eric Martin

Mr. Martin has been MH's Senior Vice President of Franchise Development, based in Omaha, Nebraska, since May 2018. Mr. Martin also has been Senior Vice President of Franchise Development of LDI, EM, and SS, located in Holmdel, New Jersey, and Elite, located in Kingston, Ontario, since May 2017, May 2019, September 2023, and October 2022, respectively.

Senior Director of Franchise Development: Shirley Warrington

Ms. Warrington has been MH's Senior Director of Franchise Development, based in Cleveland, Ohio, since March 2023. She also has been EM's Director of Franchise Development, based in Cleveland, Ohio, since January 2020.

Vice President of Marketing: Christina Schmidt

Ms. Schmidt has been MH's Vice President of Marketing since March 2025. She has held that same position with LDI, SS, and EM, located in Holmdel, New Jersey, and Elite, located in Kingston, Ontario, since March 2025. Ms. Schmidt was Senior Director of Digital Marketing and Analytics of LDI, MH, EM, and SS, located in Holmdel, New Jersey, and Elite, located in

Kingston, Ontario, from April 2015, May 2018, May 2019, October 2022, and October 2022, respectively, until March 2025.

Director/Manager: Greg Flaster

Mr. Flaster has served as one of MH's Director/Managers since January 2020. He is currently a Managing Director of Levine Leichtman Capital Partners, located in Beverly Hills, California, with which he has been associated since May 2019.

Director/Manager: Tannaz Chapman

Ms. Chapman has served as one of MH's Director/Managers since March 2026. She is currently a Managing Director of Levine Leichtman Capital Partners, located in Beverly Hills, California, with which she has been associated since 2016.

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

You must pay us the following 4 principal initial fees when you sign the Franchise Agreement:

- (1) A \$50,000 initial franchise fee;
- (2) A \$7,500 initial training and support fee for onboarding, training, and franchise launch costs;
- (3) A \$20,000 Grand Opening Marketing Fee that we will control, manage, and use during the first year you operate your Hunters-Humbug Business to market, promote, and advertise the Business in the Territory; and
- (4) A \$3,000 initial equipment package fee for our pest-related equipment, including mist blowers and pest control application equipment, to service customers.

These initial fees currently are uniform for all franchisees acquiring their franchises from us and are not refundable. The aggregate initial fee we charged last year was \$107,000.

MH participates in the “VetFran,” “MinorityFran,” and “First Responder” Initiatives and offers a 10% reduction in the initial license fee portion of the initial franchise fee to qualified U.S. military veteran, minority, and first responder candidates, respectively (but these discounts cannot be combined).

If you operate an existing Hunters-Humbug Business, are in compliance with the terms of all agreements with MH, are in sound financial condition, and have demonstrated a desire and ability to make the commitment of time and capital necessary to operate an additional Hunters-Humbug Business, MH may offer you the right to operate an additional Hunters-Humbug Business under a separate franchise agreement for a reduced initial franchise fee. If you sign such a franchise agreement, you will pay an initial franchise fee of \$25,000 that entitles you to operate the Hunters-Humbug Business using the Marks in the Territory granted under the new agreement. You will not receive for that additional Hunters-Humbug Business the standard initial training, support, and supplies which MH provides to new franchisees. You must pay the entire initial franchise fee for the additional Hunters-Humbug Business when you sign the franchise agreement. It is not refundable. You will have the option to obtain a third territory if you purchase the first and second territory at the same time. The initial franchise fees MH received during its 2025 fiscal year ranged from \$102,000 to \$107,000.

Item 6 **OTHER FEES**

Column 1	Column 2	Column 3	Column 4
Type of Fee	Amount	Due Date	Remarks*
Royalty and Service Fee	10% of Net Revenues	Payable weekly on the Net Revenues of the preceding week	“Net Revenues” are the actual gross revenues collected from customers, whether for cash or credit, plus all other revenues derived from the Business, excluding taxes collected from customers and refunds and adjustments.
Technology Fee	Currently starts at \$150 with a scheduled increase to \$250 (subject to additional potential increases—see “Remarks” column)	Payable monthly	The Technology Fee currently is \$150 per month until the cumulative Net Revenues of your Business reach \$1,000,000, at which time the Technology Fee is currently scheduled to increase to \$250 per month (provided, however, that MH has the right, in its sole judgment, to increase the monthly Technology Fee from time to time during the Franchise Agreement’s term, not to exceed \$500 per month). The first monthly payment is not due until your Business commences operations.

Column 1	Column 2	Column 3	Column 4
Type of Fee	Amount	Due Date	Remarks*
Out-of-Territory Royalty Fee	15% of Net Revenues earned outside of franchisee's Territory	Same as Royalty and Service Fee	The 15% Out-of-Territory Royalty is paid in addition to the 10% Royalty and Service Fee.
Local Marketing Requirement	\$8,000	Spent annually	Locally executed, Territory-focused marketing activities. You must spend this amount annually beginning in your 13 th month of operation.
Centrally Managed Paid Media Investment	\$30,000 or 5% of your Net Revenues annually, whichever is greater (but no more than \$45,000 per year if you own a single franchised Territory or 2 contiguous franchised Territories)	Paid weekly	These funds are used to generate leads and awareness specifically for your Territory. You must begin paying weekly contributions beginning in the 1 st week following your Grand Opening Marketing Package launch date. The auto debit each week will be no less than approximately \$577.
National Marketing Fund ("NMF")	\$5,000 or 2% of your Net Revenues annually, whichever is greater (but no more than \$7,000 per year if you own a single franchised Territory or 2 contiguous franchised Territories)	Paid Weekly	System-wide marketing, brand development, and marketing infrastructure initiatives that benefit the franchise system as a whole. You must begin paying weekly contributions beginning in your 13 th month of operation. The auto debit each week will be no less than approximately \$96.15 per week.
Equipment, Product, and Service Purchases	Varies depending on products and services you buy from us or our affiliates	As incurred	During the franchise term, you might need to buy certain equipment, products, and services from us or our affiliates, from designated or approved distributors and suppliers, or according to our standards and specifications, as described in Item 8. If we or our affiliates sell equipment, products, or services to you during the franchise term, we or our affiliates will give you a price list identifying the applicable prices.

Column 1	Column 2	Column 3	Column 4
Type of Fee	Amount	Due Date	Remarks*
Transfer Fee	50% of the then-current initial license fee component of the initial franchise fee	As incurred before the transfer is completed	Due when you transfer the Business or a controlling ownership interest in you.
Convention / Conference Fee	Not to exceed \$2,000 annually (does not include your actual out-of-pocket attendance costs paid to third parties)	Due 60 days before convention/conference or as MH otherwise specifies	You must, at MH's request, attend the franchise conventions and conferences that MH periodically conducts or hosts and pay an attendance fee. You must pay MH the convention / conference fee even if you do not attend (or plan to attend).
Broker Fee	\$25,000	As incurred	Due if we engage a third-party broker or consultant on your behalf to assist in selling your Business.
Interest on Late Payments	Highest legal rate for open account business credit, not to exceed 1.5% per month	As incurred	MH's current policy is to charge interest at the rate of 1% per month, but this policy is subject to change at any time. MH also will charge (i) a fee of 1% of the total amount due for each month that a Royalty and Service Fee report is late and (ii) \$20 for each electronic funds transfer rejected by your bank.
Inspections and Audits	Reimbursement cost of an audit (amount of which depends on circumstances and extent of your non-compliance)	Within 15 days after receipt of the inspection or audit report	Payable only if audit shows an understatement of at least 3% of Net Revenues, or if you fail to furnish reports and other information.
Indemnification	Reimbursement of actual liabilities and costs, which will vary under circumstances and depend on nature of third-party claim	As incurred	You must reimburse MH if MH is held liable for claims arising from your operation of the Business.

Column 1	Column 2	Column 3	Column 4
Type of Fee	Amount	Due Date	Remarks*
Costs and Attorneys' Fees	Reimbursement of actual costs, which will vary under circumstances and depend on nature of your non-compliance	As incurred	You must reimburse MH for fees and costs it incurs from your failure to make payments, submit reports, or comply with the Agreement.
Fine for Failure to Provide Materials for Inspection	\$500 per day	As incurred	You must pay MH \$500 for each day you fail to provide any books, records, or other requested materials for inspection, plus MH's reasonable expenses resulting from the delay.
Fine for Use of Unauthorized Advertising	\$250	As incurred	Fine is assessed on a per-item and per-occurrence basis.
Customer Complaint Reimbursement	Out-of-pocket cost reimbursement	As incurred	To satisfy complaints by your customers with regard to the quality or other aspects of your services, MH has the right to refund any fees or charges and reimburse your customers for any damage that they claim you or your employees caused to their property. MH has the right to charge you for any amounts it pays or refunds to your customers in order to reimburse itself.
Tax Reimbursement	Actual cost reimbursement	As incurred	You must reimburse MH for any taxes it must pay to any state taxing authority on account of either your operations or your payments to MH.

* Unless noted, the payments described in this chart are not refundable and are not collected in whole or in part on behalf of any party other than MH. The payments described above are MH's current offering and generally are uniformly imposed.

[Item 7 begins on next page]

Item 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Column 1	Column 2	Column 3	Column 4	Column 5
Type of Expenditure*	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial License Fee ¹	\$50,000	Cash	Upon your signing the Franchise Agreement	MH
Training and Support Fee ²	\$7,500	Cash	Upon your signing the Franchise Agreement	MH
Grand Opening Marketing Package ³	\$20,000	Cash	Upon your signing the Franchise Agreement	MH
Equipment Package Fee ⁴	\$3,000	Cash	Upon your signing the Franchise Agreement	MH
Sales Support Resources ⁵	\$200 to \$450	Monthly	Upon your signing the Franchise Agreement	MH
Vehicle Tracking and Telematics ⁶	\$50 to \$100	Monthly	Monthly	Supplier
Technology Fee ⁷	\$150	As incurred	Monthly	MH
Service Vehicle Deposit ⁸	\$8,350 - \$16,700	Cash	As agreed	Approved Supplier
Service Vehicle Lease Payment ⁸	\$1,200 - \$1,525	As incurred	Initial monthly payment	Approved Supplier
Computer Software ⁹	\$415 – \$656	Cash	Initial payment and monthly payments	Suppliers
Computer Hardware ¹⁰	\$0 – \$2,000	As incurred	As agreed	Suppliers
Opening Mosquito & Pest Control Inventory	\$500 – \$1,000	As incurred	As agreed	Suppliers
Holiday Lighting Start-Up Inventory Package	\$5,000	As incurred	As agreed	Supplier
Holiday Lighting Start-Up Equipment Package (Tools, Ladders, Safety Equipment, etc.)	\$2,400 – \$2,800	As agreed	As incurred	Suppliers
Uniforms	\$250 to \$600	As agreed	As incurred	Suppliers
Rental Space ¹¹	\$0 to \$1,000	As agreed	Monthly lease payments	Landlord

Column 1	Column 2	Column 3	Column 4	Column 5
Type of Expenditure*	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Bookkeeper	\$325 to \$400	As agreed	Monthly	Supplier
Training and Travel Expenses ¹²	\$2,500 to \$4,000	As incurred	As agreed	Suppliers
Insurance ¹³	\$850 to \$1,500	As incurred	As agreed	Suppliers
Additional Funds – 3 Months ¹⁴	\$14,880 – \$21,362	As incurred	As incurred	Utilities, vendors, employees, insurance, Licensing, vehicle, fuel
TOTAL ESTIMATED INITIAL INVESTMENT ¹⁵	\$117,570 to \$139,743			

Footnotes to Item 7 Chart

- * Except for security deposits, all other amounts are nonrefundable.
- Item 5 contains information on the circumstances under which discounts and fee reductions are available to franchisees. Your initial franchise fee might be lower if you operate an existing Hunters-Humbug Business and are acquiring a franchise to operate an additional Hunters-Humbug Business.
 - This fee is also described in Item 5.
 - Your Grand Opening Marketing Package, which we use to help you promote your business in your early stages of operation, is described in Item 11.
 - You will need certain pest-related equipment, including mist blowers and pest control application equipment, to service customers.
 - Sales support resources assist you with handling new sales and managing customer communications. There are two different platform levels (Pro and Standard) with various enhancements based on plan.
 - Vehicle tracking and telematics are used to promote the safety and daily route efficiency of your service vehicles and crew members.
 - This covers the first monthly Technology Fee you must pay when you open for business.
 - This estimate assumes you will lease the Service Vehicle used in the Business from MH's approved supplier. MH's vehicle leasing vendor offers both 60- and 72-month leases with a required minimum of 10% down on all leases. If a candidate does not during the leasing

approval process meet the qualifications for a 10% down payment based on credit score, the vehicle leasing vendor can offer leases under a 20% down payment option. The monthly lease payment for the required vehicle depends on lease-term and down payment percentage. The down payment or first month's lease payment estimate includes the costs of wrapping and outfitting the Service Vehicle for the services to be performed by the Business.

9. You must purchase from the suppliers MH designates the computer software programs needed to operate both the pest control and the holiday lighting and décor design, installation, and maintenance portions of the Business. These computer software programs currently cost between \$415 and \$656 per month. Your initial cost depends on when you onboard because that determines which computer software you will begin using first.
10. You must have available or purchase computer hardware and software for the Business according to MH's standards and specifications, including a computer, monitor, printer, Microsoft Office, QuickBooks, and all consumables, including ink and paper. You must purchase peripheral devices such as telephones and connectivity (broadband, DSL, and cable). The low end of the estimate assumes you already have this required hardware and software.
11. In many instances, you may initially operate the Business from your home. If you do not have adequate storage space for equipment and materials, it should be available at a low rental given the limited space required (approximately 12' x 20'). We estimate monthly rental payments to be between \$0 and \$1,000 depending on the location. The low end of the range assumes you will operate the Business from your home with adequate storage space; the high end of the range assumes one month's rent for storage space at a cost of \$1,000.
12. You may designate up to 2 persons to participate in MH's mandatory training program, but at least one person (the principal owner) is required to attend the initial training program.
13. You must obtain and maintain the insurance coverage that MH periodically specifies, including general liability, workers compensation, and motor vehicle liability insurance. Insurance costs will vary considerably by state and depend on policy limits, types of policies, nature and value of physical assets, gross sales, number of employees, location, business contents, and other factors affecting risk exposure. These estimates contemplate monthly costs, although payment terms will vary by provider. We describe our current insurance requirements in Item 8.
14. This estimates the funds needed to cover your other pre-opening expenses as well as additional initial expenses for the first 3 months of operation. Additional funds are for opening expenses; labor costs/sales commissions (for part-time assistance in sales and/or servicing); Service Vehicle lease payments for second and third months of operation; computer software payments for second and third months of operation; rental space lease payments for second and third months of operation; Technology Fees paid to MH; state pesticide applicator licenses which may be required in some states; plus other

miscellaneous expenses. In compiling these amounts for the pest control services portion of your Business, MH has relied on its and its predecessor's experience in the pest control business since 2015 and on reports from franchisees who have recently begun operation. In compiling these amounts for the holiday lighting and décor services portion of your Business, MH has relied on the experience of several of its affiliate's franchisees who offered holiday lighting and décor services for 3 years as part of a pilot program.

15. MH does not finance any part of your initial investment.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Many of the items and services you will need for the Business must be purchased or leased from MH or from sources MH has designated or approved or must meet specifications set by MH. MH will provide you with a list of approved products and supplies, and a list of approved and designated suppliers, and will occasionally revise those lists. MH estimates that source-restricted purchases for a Hunters-Humbug Business will equal approximately 90 to 95% of your cost of establishing the Business and 50 to 60% of your ongoing costs. One or more of MH's officers have a financial interest in LDI, which is the sole source of the vehicle outfitting services for your Service Vehicle, as well as in MH. However, no officer of MH currently owns an interest in any other supplier to the Hunters-Humbug system. You must pay MH for certain equipment needed to commence business and fees for advertising and marketing services (as described in Items 5, 7, and 11). LDI is the exclusive source of the vehicle outfitting services for your Service Vehicle. MH and its affiliates currently are not the approved supplier or the only approved supplier of any other required goods or services.

You must purchase computer hardware and software for the Business according to MH's standards and specifications. The computer hardware and software must be functional with (1) the pest control business management computer software program provided by the supplier MH designates and (2) the software MH requires for the holiday lighting and décor design, installation, and maintenance business. MH may require you to use designated and approved brands, types, makes and models of computer hardware (including printers) in connection with the computer software programs. MH also may require you to use designated accounting professionals to ensure your required reports and financial statements are prepared properly.

You must purchase or lease at least one vehicle (the "Service Vehicle") that is suitable for transporting various pest control supplies, holiday lighting and décor materials, application and installation equipment, and related materials needed to operate the Business and which meets MH's specifications. You must order the Service Vehicle from MH's approved supplier to ensure it complies with MH's standards and specifications. You also must: (1) take delivery of the Service Vehicle immediately following the completion of training school; (2) maintain the condition and appearance of the Service Vehicle and equipment consistent with the professional image of the Business; (3) display on the Service Vehicle and equipment only the Marks and MH-approved signs, emblems, lettering and logos; and (4) not sell or transfer the Service Vehicle (other than to MH) without first removing all of the Marks from the Service Vehicle. LDI will outfit your Service

Vehicle for the Business and provide all related materials. The leasing company will pay LDI for those services and materials and roll those costs into your lease payments.

You must maintain in force the insurance coverage that MH requires from time to time and meet the other insurance related obligations in the Agreement. Such insurance must include comprehensive general liability, products liability, completed operations liability, motor vehicle liability, and workers' compensation. All such policies must be with carriers acceptable to MH, must provide coverage on an occurrence basis, and must insure against claims for injury, death and property damage arising from the Business. Periodically, MH will specify the required amount of coverage. Currently, general liability insurance must be not less than \$1,000,000 combined single limit for each occurrence and \$2,000,000 combined single limit aggregate; products and completed operations liability must not be less than \$1,000,000 combined single limit aggregate; motor vehicle liability must not be less than \$1,000,000 combined single limit aggregate; and workers' compensation must be the greater of MH's then-current requirements or as required by state law. MH must be named an additional insured grantor. The types and amounts of coverage are subject to change by MH.

During the first year of operation, your Business must use bookkeeping services provided by MH's designated franchise accounting provider.

Except as described above, there are no goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Business that you currently must buy or lease from MH (or MH's affiliate), from designated or approved suppliers, or according to MH's standards and specifications.

If you wish to use any type or brand of product or supply item, or purchase products or supplies from a supplier, that is not currently approved by MH, you must notify MH of your desire to do so and submit to MH specifications, photographs, samples and other information requested by MH. You are not required to pay a fee to secure supplier approval. MH will, within 30 days, determine whether the products, supplies or the supplier meet its specifications and standards. MH develops its specifications and lists of approved suppliers through internal and field testing, consultations with franchisees and suppliers, review of industry and trade association information, and other means. MH may revoke supplier approval in a written notice, a copy of which will be provided to you. MH may limit the number of approved suppliers with whom you may deal, designate sources that you must use, and/or refuse any of your requests for any reason, including that MH has already designated an exclusive source (which might be MH or MH's affiliate) for a particular item or service. For example, if MH designates a buying marketplace (which may be developed and/or operated by MH or its affiliate), you must buy the products and services MH requires through that marketplace. To the extent that MH has developed criteria for suppliers, they are not available for review by franchisees.

MH has not established any purchasing or distribution cooperatives. MH has negotiated purchasing arrangements (including price terms) with suppliers who provide printed materials and Service Vehicles to franchisees (although there are no direct or indirect financing arrangements in place with the Service Vehicle lessor). MH and its affiliates may receive payments from designated and approved suppliers on account of franchisee purchases of required and approved items from

those suppliers. MH and its affiliates have the right to receive payments from suppliers on account of their actual or prospective dealings with MH, you, and other franchisees and to use all amounts that MH and its affiliates receive without restriction for any purposes MH and its affiliates deem appropriate. MH does not provide you with any material benefits based on your purchase of approved items or services or your use of approved suppliers.

MH or its affiliates will derive revenue or other material consideration from their sale of equipment, supplies, and services to you (if applicable) and may accept payments from suppliers on account of their dealings with you and other MH franchisees. During the fiscal year ending December 31, 2025, according to its internal records, MH received \$42,500 from third-party suppliers on account of their business dealings with MH's franchisees, which was 1.67% of its 2025 revenue of \$2,549,692. In that same fiscal year, according to its unaudited financial statements and internal records, MH's affiliate LDI received a total of \$325,620 for both call center revenue from MH's franchisees and outfitting the vehicles of Hunters-Humbug Business franchisees.

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	1 of Agreement	11 and 12
(b) Pre-opening purchases/leases	7 of Agreement	7, 8 and 10
(c) Site development and other pre-opening requirements	7 of Agreement	7, 8, 11 and 15
(d) Initial and ongoing training	2 of Agreement	7 and 11
(e) Opening	1.C of Agreement	11
(f) Fees	6, 7.F, 8, and 11.C of Agreement	5, 6, 7, 8, and 10
(g) Compliance with standards and policies/operating manual	2.B and 7 of Agreement	8, 11, 13 and 16

Obligation	Section in Agreement	Disclosure Document Item
(h) Trademarks and proprietary information	3 and 4 of Agreement	13 and 14
(i) Restrictions on products/services offered	7.C of Agreement	8, 11 and 16
(j) Warranty and customer service requirements	7.F of Agreement	Not Applicable
(k) Territorial development and sales quotas	1.C of Agreement	12
(l) On-going product/service purchases	7 of Agreement	8
(m) Maintenance, appearance and remodeling requirements	7 of Agreement	8
(n) Insurance	7.G of Agreement	6, 7 and 8
(o) Advertising	8 of Agreement	5, 6, 8 and 11
(p) Indemnification	5 of Agreement	6
(q) Owner's participation/management and staffing	7.H of Agreement	15
(r) Records and reports	9 of Agreement	Not Applicable
(s) Inspections and audits	10 of Agreement	6
(t) Transfer	11 of Agreement	6 and 17
(u) Renewal	12 of Agreement	17

Obligation	Section in Agreement	Disclosure Document Item
(v) Post-termination obligations	14 of Agreement	17
(w) Non-competition covenants	4 and 14.D of Agreement	17
(x) Dispute resolution	15.F of Agreement	17
(y) Call Center	8.A of Agreement	6, 8, and 11
(z) Compliance with customer complaint resolution procedures	7.F of Agreement	6

Item 10
FINANCING

MH does not offer direct or indirect financing. MH does not guaranty your note, lease, or obligation.

Item 11
FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEM, AND TRAINING

Except as listed below, MH is not required to provide you with any assistance.

Before you open the Business, MH will:

(1) Provide you with specifications, standards, operating procedures and specialized equipment for a Hunters-Humbug Business to protect the quality of MH’s products and services. These include specifications and standards for signs, opening inventory, and supplies as well as a list of approved suppliers. MH does not directly deliver or install any items. (Agreement - Sections 7.A and 7.E)

(2) Provide you with reasonable guidance in the development of the Business. (Agreement - Section 2.B)

(3) Train you in the Hunters-Humbug system. (Agreement - Section 2.A)

During your operation of the Business, MH will:

(1) Provide you with guidance for the operation of the Business. MH will provide guidance to you and supervisory employees through the Operating Manual (defined below) and, at its option, via telephonic conversations and consultation at MH's offices or your office. (Agreement - Section 2.B)

(2) Provide you access to the Operating Manual and, at its option, additional presentation materials and content on MH's learning management system. (Agreement - Section 2.B)

(3) Let you use the Marks. (Agreement - Section 3)

(4) Disclose confidential information to you relating to the operation of the Business. (Agreement - Section 4)

(5) Advise you of approved suppliers for a Service Vehicle and other items and required and authorized products and supplies. (Agreement - Section 7)

(6) Maintain and administer a Centrally Managed Paid Media Investment for you to drive leads within your Territory and a National Marketing Fund for regional and national marketing, advertising, and promotions programs. (Agreement - Sections 8.C and 8.D)

(7) MH will assist you in establishing prices for authorized products and supplies but generally does not control the prices you charge for your products and services.

Because Hunters-Humbug Businesses provide services at customer locations and generally do not maintain physical sites, MH does not have any site selection procedures or factors MH considers in approving sites. Therefore, MH does not have the right to terminate the Agreement if you and MH cannot agree on a site.

Operating Manual

MH will provide you with access to one copy of the operating manual, which may include one or more separate manuals as well as compact disks, computer software, information available on an Internet site, other electronic media and/or written materials (the "Operating Manual"). The Operating Manual contains mandatory and suggested specifications, standards and operating procedures prescribed by MH for the operation of a Hunters-Humbug Business and information about your other obligations under the Agreement so that the quality of MH's brand, products, and services is maintained. MH may modify the Operating Manual, but this will not alter your fundamental status and rights under the Agreement. You must keep your copy of the Operating Manual current, but the master copy maintained by MH at its principal office will be controlling. The Operating Manual is confidential, and you may disclose its contents only to your employees who need to know its contents to perform their jobs. You may not copy any part of the Operating Manual. The table of contents to the Operating Manual is attached as Exhibit F. As of the issuance date of this Disclosure Document, the Operating Manual contains a total of 490 pages, with approximately 350 total pages specific to pest control services and an additional 140 pages specific to holiday lighting and décor.

At MH's option, MH may post some or all of the Operating Manual on a restricted website or extranet to which you will have access. If MH does so, you must monitor and access the website or extranet for any updates to the Operating Manual or system standards.

Advertising

There are several component parts of your advertising obligations under the Franchise Agreement.

Grand Opening Marketing During First Year of Operation

As described in Item 5, you will pay MH a \$20,000 Grand Opening Marketing Package Fee when you sign the Franchise Agreement. MH will control, manage, and use the Grand Opening Marketing Package Fee during your first year of operating your Hunters-Humbug Business to market, promote, and advertise the Business in your Territory. MH will identify the items and tactics on which to spend the Grand Opening Marketing Package Fee. (Agreement - Section 8.A)

Local Marketing

Beginning in the 13th month of operation of your Hunters-Humbug Business (defined as the 13th month after your Grand Opening Marketing Package launch date, as MH determines in its sole discretion), you must spend no less than \$8,000 during each calendar year of the franchise term to market and promote all service lines of your Hunters-Humbug Business within the Territory (the "Local Marketing Obligation"). (Agreement - Section 8.B) This Local Marketing Obligation is in addition to the Centrally Managed Paid Media Investment contributions and the NMF Fee described below.

You must submit to MH—before you use them—samples of all local marketing materials MH did not prepare or previously approve. If you do not receive written disapproval within 30 days after the materials are delivered to MH, they will be deemed approved. If you use any unapproved promotional materials, MH may assess a \$250 fine per item per occurrence.

Within 60 days after the end of each calendar year, you must send MH a report detailing your Local Marketing Obligation expenditures in the Territory during that year. If you do not spend the required amount during any calendar year, you must pay the unspent amount to MH within the same 60 days. MH then may use such monies for any marketing or promotional expense (whether national, regional, local or otherwise) at any time.

While you need not allocate Local Marketing Obligation expenditures evenly among all the service lines of your Hunters-Humbug Business, you must allocate such expenditures in a manner that meaningfully supports each service line.

You must participate in any toll-free telephone number program MH specifies, including by signing any agreements and paying any associated charges, whether to MH or a third party. You must display the toll-free telephone number as the primary and dominant business phone

number. The toll-free telephone number will be displayed on all marketing materials and all of your Service Vehicles. (Agreement - Section 7.I)

You must comply with MH's requirements, standards, and specifications concerning your use of websites or other computer-based advertising to promote your Business. You must submit proposed website information for MH's approval before you implement a website, and MH must approve any changes you make to a website. You may not in any event use the Marks in your domain name or electronic address. (Agreement - Section 7.J)

Local Advertising—Centrally Paid Media Investment

Recognizing the value of marketing and promotion to the goodwill and public image of Hunters-Humbug Businesses, MH will maintain and administer for you a centrally managed paid media investment, which MH's marketing team will manage and use exclusively to generate customer leads and brand awareness within your Territory through digital advertising channels that are centrally planned and managed for you (the "Centrally Managed Paid Media Investment"). (Agreement - Section 8.C)

Beginning in the first week of operation of your Hunters-Humbug Business (defined as the week after your Grand Opening Marketing Package launch date, as MH determines in its sole discretion), you must contribute to the Centrally Managed Paid Media Investment, on an annual basis, the greater of \$30,000 or 5% of your Net Revenues, subject to an annual cap of \$45,000. The Centrally Managed Paid Media Investment contribution is payable weekly (no less than approximately \$577 per week). If you operate your Hunters-Humbug Business in 2 contiguous territories (under 2 separate Franchise Agreements), the maximum Centrally Managed Paid Media Investment contributions for those 2 territories during any calendar year will not exceed \$45,000.

MH will direct all programs financed by the Centrally Managed Paid Media Investment contributions, with sole discretion and control over the creative concepts, materials and endorsements used and their geographic, market and media placement and allocation. The Centrally Managed Paid Media Investment may be used to pay for preparing and producing advertising, marketing, and promotional content and related materials and administering, directing, and preparing marketing programs. The Centrally Managed Paid Media Investment will be accounted for separately from MH's other funds and will not be used to defray any of its general operating expenses, except for such reasonable salaries, administrative costs and overhead MH incurs in activities reasonably related to administering or directing the Centrally Managed Paid Media Investment and its marketing and promotional programs. A report of monies collected and costs incurred by the Centrally Managed Paid Media Investment for you will be prepared annually and made available for your inspection upon request.

Because your Hunters-Humbug Business offers several distinct service lines, MH may plan, deploy, and optimize the Centrally Managed Paid Media Investment across the service lines based on seasonality, performance metrics, strategic priorities, and market opportunity. Although you pay Centrally Managed Paid Media Investment contributions weekly, the timing and allocation of marketing expenditures with those contributions may not correspond directly to the timing of your contributions. The Centrally Managed Paid Media Investment contributions are

intended to fund ongoing and future marketing programs for you in the Territory, and MH has the right to concentrate spending during periods when MH believes that demand, conversion, or return on investment will be highest for the particular service line.

Advertising—National Marketing Fund

MH will maintain and administer a National Marketing Fund (the “NMF”) for the regional and national marketing, advertising, and promotions programs it deems appropriate for the Hunters-Humbug system. MH will direct all such programs, materials, endorsements, and media used and their placement and allocation. (Agreement – Section 8.D)

Beginning in the 13th month of operation of your Hunters-Humbug Business (defined as the 13th month after your Grand Opening Marketing Package launch date, as MH determines in its sole discretion), you must start paying MH for deposit into the NMF, on an annual basis, the greater of \$5,000 or 2% of your Net Revenues (the “NMF Fee”), subject to an annual cap of \$7,000. The NMF Fee is payable weekly (no less than approximately \$96.15 per week). If you operate your Hunters-Humbug Business in 2 contiguous territories (under 2 separate Franchise Agreements), the maximum NMF Fees for those 2 territories during any calendar year will not exceed \$7,000. (Franchisees operating under older franchise agreements may contribute to the NMF at different rates.)

The NMF will be used and expended for media costs (including print, digital, search engine management and optimization, social media, television and radio, and other communications channels without restriction), commissions, market research costs, creative and production costs, including the costs of creating promotions and artwork, printing costs, and other costs relating to regional or national advertising and promotional programs MH undertakes. MH may place and develop such advertisements and promotions and market them on your behalf, either directly or through an advertising or public relations agency retained for that purpose.

The NMF will be accounted for separately from MH’s other funds and will not be used to defray any of MH’s general operating expenses, except for salaries, administrative costs and overhead (calculated on a fully allocated basis), if any, that MH incurs in activities reasonably related to administering or directing the NMF and advertising programs (including conducting market research, preparing marketing materials, collecting and accounting for NMF Fees, paying taxes due on unspent NMF Fees MH receives, and any other costs or expenses MH incurs operating or as a consequence of the NMF). An in-house unaudited statement of the NMF’s operations will be prepared annually and made available to you upon request.

The NMF is intended to maximize general public recognition and patronage of the system for the benefit of all franchisees. MH has no obligation to ensure that any particular franchisee benefits directly or pro-rata from the placement or conduct of such advertising and promotion. (In other words, MH need not spend any particular portion of the NMF in your Territory.) The NMF will not be used principally to develop materials and programs to solicit franchisees. However, media, materials, and programs prepared using NMF Fees may describe the franchise program, reference the availability of franchises and related information, and process franchise leads.

You must fully participate in all required sales and promotional activities (including the introduction of new services, grand opening or other marketing programs MH directs and approves).

The NMF is not intended to be a source of profit for MH. If there is a surplus of funds at the end of any year, the funds will be applied to one or more of the following, in any combination MH determines: (i) carried forward and applied to the next year's operating costs; or (ii) distributed pro rata to Hunters-Humbug Businesses that contributed to the NMF for that year. MH also has the right to use new NMF Fees to pay NMF deficits incurred during previous years.

While there currently are no company-owned or affiliate-owned Hunters-Humbug Businesses, MH expects that they would contribute to the NMF on the same terms as do franchisees.

In the fiscal year ending December 31, 2025, the expenditures of the NMF were allocated as follows: more than 90% for media and less than 10% for creative, production, administrative, and other costs.

There currently are no franchisee advertising councils that advise MH on advertising and marketing policies and programs. MH does not have the right to require you to participate in any advertising cooperative.

Computer System

You must purchase or have available computer hardware and software for the Business that meets MH's standards and specifications in order to operate the computer software programs described below. This includes a computer, monitor, printer, and third-party software, including Microsoft Office and QuickBooks.

You must sign an agreement with the suppliers MH designates to license for the Business computer software programs suited for use by pest control businesses and holiday lighting and décor businesses. The computer software programs are designed for your use in the overall management and operation of the Business and to collect and generate lists of customers and prospects, direct mail programs, accounting management information, data to track revenues from the Business, schedule of services, GPS directions, customer inquiries and similar information. These computer software programs currently cost between \$415 and \$656 per month.

Except as described above, neither MH nor the third parties whose products you buy have any contractual right or obligation to provide ongoing maintenance, repairs, upgrades, or updates to the computer hardware and compatible software, unless you obtain a service contract or a warranty covers the product.

You may also be required to incur reasonable costs to purchase or lease new or modified computer hardware and software for use with the computer software programs described above. There are no contractual limitations on the frequency and cost of this obligation. You will also sign the Extranet Agreement (Exhibit D). MH will have unlimited independent access to all information and data that your computer system generates and stores, including all data derived

from the computer software programs. MH estimates the cost of any computer hardware and software, including peripheral devices and software in addition to the computer software programs, to be \$2,000. Because of varying market conditions and types of maintenance and support contracts, MH is unable to estimate the annual cost of any optional maintenance, updating, upgrading, or support contracts.

Besides paying third-party suppliers the monthly license and support fees, you must pay MH monthly Technology Fees to fund the technology expenditures MH deems best for Hunters-Humbug Businesses. The Technology Fee currently is \$150 per month until the cumulative Net Revenues of your Business reach \$1,000,000, at which time the Technology Fee is currently scheduled to increase to \$250 per month (provided, however, that MH has the right, in its sole judgment, to increase the monthly Technology Fee from time to time during the franchise term). The first Technology Fee payment is due in the calendar month in which your Business commences operations. Each subsequent Technology Fee payment is due no later than the tenth day of each subsequent calendar month. MH has the right to allocate and spend Technology Fees in its sole judgment, including for salaries, wages, and benefits, direct technology program costs, and overhead expenses for technology-related activities. The Technology Fee is in addition to any other costs you incur for the Software Programs or other computer hardware or additional software. MH has no obligation to account to you or other franchisees for its use of Technology Fees or to ensure that you or your Business benefits directly or pro rata based on your Technology Fee payments.

Business Opening

You select the Territory for your Business, subject to MH's approval. While there is generally an interval of 30 to 60 days between the execution of the Agreement and the opening of the Business, you must commence pre-opening marketing efforts for your Business to MH's satisfaction within 15 days after you complete MH's training program. Upon your request, MH may, at its sole option, grant you an extension of the 15-day period. MH has the right to terminate the Agreement if you do not comply with the opening deadline specified above. Factors affecting the time period between execution of the Agreement and opening of the Hunters-Humbug Business include attendance at and satisfactory completion of MH's training program, arranging for any financing, and complying with all necessary licensing and regulatory requirements. MH does not expect you to begin offering holiday lighting and décor services until the holiday season approaches (typically in September).

Training

PEST HUNTERS-MOSQUITO HUNTERS-HUMBUG HOLIDAY LIGHTING Pest Control & Holiday Lighting Services

You may designate up to 2 persons (the principal owner is required to attend) to participate in MH's mandatory training program. The program will be conducted 5-6 times per year. You will be responsible for all travel and living expenses in connection with the training program. If you or your designee does not complete the training program to our satisfaction, you or your designee must attend the next initial training program at your expense. There is no specific timeframe after

signing the Agreement or before opening the Business within which you must complete training. If you or your designee's performance in the additional training program is unsatisfactory, MH may terminate the Agreement effective upon delivery of notice of termination to you. MH may require that you and your supervisory personnel complete supplemental and refresher training programs, to be furnished without charge, at designated locations. You must pay any travel and living expenses for supplemental and refresher training programs. MH, at its discretion, may provide some or all training programs in a virtual environment via a restricted website or extranet to which you have access.

Currently, the initial training program is conducted at MH's headquarters (or at nearby facilities). The current training program is a 5-day training program which includes approximately 35 hours of actual classroom and on-site instruction. The instructional materials for MH's training program include handouts, its online learning management system, and quizzes that MH requires you to take. The officers of MH participate in and supervise all phases of the program based on their expertise with Hunters-Humbug Businesses. MH's Department of Operations administers the training program. Brand President, Court Aiken, has been an executive with the Hunters-Humbug system since December 2025 and has experience in all aspects of operations. Mr. Aiken oversees the training program and the individual trainers, all of whom have been with MH an average of 5 years and have held a variety of positions with MH. MH's current initial training program for PEST HUNTERS-MOSQUITO HUNTERS and Humbug Holiday Lighting is summarized in the following tabular chart:

TRAINING PROGRAM

Column 1 Subject	Column 2 Hours of Classroom Training	Column 3 Hours of On-The-Job Training	Column 4 Location
Introductions, Facilities & Van Tour and Pest Equipment Show and Tell	3.5	0	Holmdel, NJ
Financial Planning	2.5	0	Holmdel, NJ
Commercial and Residential Sales	3	0	Holmdel, NJ
Local Marketing and Customer Experience	2.5	0	Holmdel, NJ
Franchisee Roles and Responsibilities	2.5		Holmdel, NJ
Hiring (Including Roleplay), Employee Pay Models and Creating a positive culture	4.5	0	Holmdel, NJ
Holiday Lighting Materials, Pricing & Estimating	3.5	0	Holmdel, NJ
Holiday Lighting Hands-On Installation and Take Down	4	0	Holmdel, NJ

Column 1 Subject	Column 2 Hours of Classroom Training	Column 3 Hours of On-The-Job Training	Column 4 Location
Residential and Commercial Pest Services, Inspections and Pricing	7.5	0	Holmdel, NJ
Ongoing Support & Role Playing	1	0	Holmdel, NJ
Headshots and Group Photos	.5	0	Holmdel, NJ
TOTAL	35	0	

The prerequisite for attending Pest Hunters-Mosquito Hunters-Humbug Holiday Lighting training is a robust 4-week virtual training schedule that includes in-person calls with Marketing, Sales, and other subject matter experts and recorded video content. The Virtual Training sessions include approximately 80 hours of active learning time broken up into the following subjects:

Column 1 Subject	Column 2 Hours of Virtual Training	Column 3 Hours of On-The-Job Training	Column 4 Location
Field Operation & Service	17	0	Virtual
Financial Planning	4.5	0	Virtual
Holiday Lighting	15	0	Virtual
Marketing	6.5	0	Virtual
People & Culture	3.5		Virtual
Safety	7	0	Virtual
Sales	15.25	0	Virtual
Residential and Commercial Pest Services, Inspections and Pricing	7.5	0	Virtual
One-on-One Coaching with FBC and Onboarding Checkin Calls	4	0	Virtual
TOTAL	80.25	0	

In addition to the above training, you will have access to MH's learning management system, which currently includes over 300 custom training courses on topics including financial acumen, software, business strategies, marketing tactics, technical skills, succession planning, and more.

In addition to the above training, the designated supplier of the computer software program will provide you with computer software training.

MH periodically may conduct conventions or conferences for some or all of its franchisees (“Conventions”). You must attend one or more of these Conventions (as MH specifies) and pay all expenses incurred in attending, including registration, transportation, and meals, lodging, and living expenses. MH will determine the duration and location of and curriculum for the Conventions. You must pay the applicable registration fee for each Convention when you register or as MH otherwise directs. This fee is not refundable. You must pay a registration fee even if you do not attend (or plan to attend) the particular Convention. If you own and operate more than one Hunters-Humbug Business franchise, you need only pay a single Convention registration fee for a particular Convention.

Item 12

TERRITORY

A geographic Territory will be identified in the Agreement in which you will initially conduct the Business. The Territory will contain no less than 25,000 single-family residences. After you have been operating the Business for 4 years, if your “Market Share” falls below the required level, MH may reduce the size of your Territory by redrawing its boundaries in MH’s sole discretion. Your “Market Share” means the percentage of single-family residences in the Territory using PEST HUNTERS-MOSQUITO HUNTERS pest control services out of the total single-family residences in the Territory. (This Market Share will apply only to single-family residences in the Territory under contract with you for outdoor pest control specializing in the eradication of a wide range of pests, including mosquitoes, fleas, ticks, ants, spiders, rodents, cockroaches, and other pests.) Your Market Share in the Territory may be no less than 70% of the average Market Share of all PEST HUNTERS-MOSQUITO HUNTERS Businesses which have been in operation for 4 or more years. We intend to notify franchisees annually or on another recurring, regular basis of their Market Shares in their respective territories and of the average Market Share of all PEST HUNTERS-MOSQUITO HUNTERS Businesses that have been in operation for 4 or more years. We expect to notify franchisees in writing, by email, or by sending out various metrics of system-wide performance and Market Share. Otherwise, MH may not alter your Territory or territorial rights during the franchise term (MH may change the Territory upon your acquisition of a successor franchise for the Business).

In order for you to acquire additional Territories, you must have a “Market Share” of at least 2% in all of the Territories in which you are operating at the time you notify MH of your interest in acquiring an additional Territory. Otherwise, you have no options, rights of first refusal, or similar rights to acquire additional franchises.

(Again, despite the language above, this Market Share concept will apply only with respect to the portion of your Business for outdoor pest control services specializing in the eradication of a wide range of pests, including mosquitoes, fleas, ticks, ants, spiders, rodents, cockroaches, and other pests.)

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that MH owns, or from other channels of distribution or competitive brands that MH controls.

If you are in compliance with the Agreement, but except as provided in clauses (1) through (3) below, MH will not operate or grant a franchise for the operation of a Hunters-Humbug Business with a territory which overlaps in any material respect with your Territory. Except for this limitation, MH and its affiliates retain all rights with respect to Hunters-Humbug Businesses, the Marks, and other activities, including: (1) the right to provide, offer and sell, and to grant others the right to provide, offer and sell, products similar to and/or competitive with those offered and sold at Hunters-Humbug Businesses, whether identified by the Marks or other trademarks or service marks, through dissimilar distribution channels (including via catalog, the Internet or other media) both inside and outside your Territory; (2) the right to establish and operate, and grant to others the right to establish and operate, businesses offering and selling dissimilar products and services under the Marks and other trademarks and service marks, both inside and outside your Territory; (3) the right to establish and operate, and grant to others the right to establish and operate, businesses offering and selling mosquito control and other pest control services (and related products)—and/or businesses designing, installing, maintaining, and removing holiday lighting and décor—and identified by trademarks or service marks other than the Marks (including by the LAWN DOCTOR trademark/service mark, the HOLIDAY LIGHTING HEROES trademark/service mark, the SPARKLE SQUAD trademark/service mark, and any other trademarks or service marks) through similar and dissimilar distribution channels both inside and outside your Territory; (4) the right to operate, and to grant others the right to operate Hunters-Humbug Businesses with territories which do not overlap in any material respects with your Territory regardless of proximity to the Business; (5) the right to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at a Hunters-Humbug Business, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in your Territory); and (6) the right to be acquired by a business providing products and services similar to those provided at Hunters-Humbug Businesses, or by another business, even if such business operates, franchises and/or licenses competitive businesses in your Territory. MH may exercise any of the retained rights above without compensating you.

You must conduct the Business solely within your Territory, such that none of the Net Revenues of the Business are derived from customers whose properties are located outside your Territory. If you have customers whose properties are located outside your Territory and MH grants to another franchisee a territory that encompasses such properties of your customers, then you must give such customers to such other franchisee at no charge. You must pay to MH a royalty of 15% of the Net Revenues for all business conducted outside your Territory. This 15% royalty is in addition to the required weekly royalty of 10% of the Net Revenues of the Business. In addition, this 15% royalty will apply if you acquire an existing Hunters-Humbug Business that has customers outside its designated territory. Therefore, you may not provide services to customers outside of your Territory without MH's prior written approval. If MH provides its approval, you may provide services only in the manner MH specifies, and MH has the right, but not the obligation, to allow you to engage in telemarketing or other direct marketing to provide services outside your Territory. Given the nature of Hunters-Humbug Businesses, MH does not expect you to engage in Internet or catalog sales.

Subject to MH's approval, you may (but have no obligation to) relinquish a portion of your Territory for inclusion in the territory of a Hunters-Humbug Business granted by MH to another person or entity. If you do so, you will be entitled to be paid any amount the new franchisee agrees to pay for this relinquishment over and above the initial franchise fee payable to MH.

Because Hunters-Humbug Businesses provide services at customer locations and generally do not maintain physical sites, relocation is not an issue that arises with Hunters-Humbug Businesses. The continuation of your territorial rights does not depend upon your achievement of any sales level or other contingency with the exception of your compliance with the Agreement as described above. MH does not operate or offer franchises for the operation of pest control service businesses, or holiday lighting and décor service businesses, under a different trade name or trademark besides PEST HUNTERS-MOSQUITO HUNTERS and HUMBUG HOLIDAY LIGHTING. MH does not intend to use the Marks or other trademarks in other channels of distribution for similar products or services, but has the right to do so.

MH's affiliate LDI (described in Item 1), whose principal business address is the same as MH's principal business address, currently offers franchises for LAWN DOCTOR Businesses, the primary activity of which is to care for and maintain lawns and other vegetation in an identified territory. LAWN DOCTOR Businesses also may provide other services, including mosquito control under the LAWN DOCTOR name. While LDI's and MH's offices are at the same location, LDI maintains training facilities that are physically separate from MH's training facilities. LAWN DOCTOR Businesses may solicit and accept orders from customers near your Business and in your Territory. Because MH and LDI want both of their franchise systems to succeed, they expect to resolve, in the best manner possible, any conflicts between their respective franchisees regarding territory, customers and support.

In addition, the franchise system operated by MH's affiliate SS (described in Item 1), whose principal business address is the same as MH's principal business address, as well as LAWN DOCTOR Businesses also currently offer (as part of their required services) the same holiday lighting and décor services as HUMBUG HOLIDAY LIGHTING. These types of services in the SPARKLE SQUAD franchise system are advertised and marketed by franchisees under the "SPARKLE SQUAD" trademark. These types of services in the LAWN DOCTOR franchise system are advertised and marketed by franchisees under the "HOLIDAY LIGHTING HEROES" trademark. These other franchise systems have the right—using these other trademarks—to solicit and accept orders from customers for holiday lighting and décor services near your Business and in your Territory. MH, SS, and LDI offer training for their branded holiday lighting and décor services lines from the same training facilities. Because these brands are all affiliated, MH, SS, and LDI intend to take whatever action is appropriate under the circumstances to resolve conflicts among the franchisees of each system regarding territory, customers, and support.

Item 13

TRADEMARKS

MH will license to you the right to use the Marks in the operation of the Business and in providing the services and products associated with the Business. The following Marks are registered with the United States Patent and Trademark Office on the Principal Register:

Mark	Registration Number	Registration Date
“Mosquito Hunters” word mark	4843837	11/3/2015
	5016883	08/9/2016
	7685463	02/11/2025
PEST HUNTERS	7676750	02/04/2025
	6980455	2/14/2023
“Humbug Holiday Lighting” word mark	6903091	11/15/2022

MH currently owns the first 4 Marks. In August 2015, MH’s predecessor and/or its affiliate entered into a Coexistence Agreement with BEECON, Inc. that owned the trademark Bee Hunter. In that agreement, the parties stipulated that confusion between the trademarks MOSQUITO HUNTERS and Bee Hunter would not likely occur due to the differentiating use, style, and design of the trademarks and the separate customers, market, and services of the types or species of pests or insects to be controlled. As part of that agreement, both parties agreed not to interfere with the use of the respective trademarks and to ensure no likelihood of confusion between the 2 trademarks. As part of the Coexistence Agreement, Mosquito Hunters would not engage in the control, removal, extermination, or prevention of bees, hornets, wasps, and/or yellow jackets. In addition, in order to avoid any possible confusion of the 2 trademarks Mosquito Hunters and its affiliates agreed not to use, market, or promote the MOSQUITO HUNTERS Marks in geographically targeted or directed advertising, promotion, or sale of services in a geographic region comprised of Allegheny, Beaver, Butler, Armstrong, Westmoreland, and Washington counties of Pennsylvania and Worcester, Franklin, Hampshire, Hampden, and Berkshire counties of Massachusetts.

The last 2 Marks in the table above are owned by LDI, MH’s affiliate. LDI licenses MH to use the Marks and related intellectual property, and to authorize franchised Hunters-Humbug Businesses to use them, under a Trademarks, Copyrights, and Trade Secrets License Agreement effective January 1, 2024 (the “License Agreement”). The License Agreement’s initial term is 20 years; MH has the right to renew the License Agreement for 2 successive 5-year terms. MH has the right to terminate the License Agreement at any time. LDI may terminate the License Agreement immediately if MH breaches the License Agreement and fails to cure the breach within

30 days after receiving written notice from LDI. When the License Agreement terminates or expires, MH must stop using and sublicensing the Marks and related intellectual property. However, any franchised Hunters-Humbug Business that has been authorized to use the Marks in its franchise may continue using the Marks until its franchise agreement, and any permitted successor franchise agreement, expires or is terminated, but only if the franchised Hunters-Humbug Business continues to comply with its obligations in the franchise agreement and any permitted successor franchise agreement during their remaining terms.

Other than as stated above, there are no other agreements that limit our right to use or license the use of the Marks.

MH and LDI have filed, or intend to file, all required affidavits of use and renewals for the Marks when they become due for as long as the Marks remain material to MH's franchise system.

There are currently no effective material determinations of the United States Patent and Trademark Office, Trademark Trial and Appeal Board, or the trademark administrator of any state or any court, nor are there any pending infringement, opposition or cancellation proceedings or any pending material federal or state court litigation, involving any of the Marks. Except as described above, MH does not actually know of either superior prior rights or infringing uses that could materially affect your use of the Marks in any state.

You must follow MH's rules when you use the Marks, including MH's requirements and restrictions concerning use of the Marks on any website. Your right to use the Marks is limited to the conduct of the Business in compliance with the Agreement and all applicable standards, specifications and operating procedures prescribed by MH. Any unauthorized use of the Marks by you will constitute an infringement of the rights of MH. All provisions of the Agreement will apply to any additional trade and service marks and commercial symbols that MH authorizes for your use. You must use the Marks as the sole identification of the Business, but you must identify yourself as the independent owner, operator, and manager of the Business in the manner MH prescribes. You may not use any Mark or any variation thereof (1) as part of any corporate or legal business name, (2) with any prefix, suffix or other modifying words, terms, designs or symbols, (3) in connection with the performance or sale of any unauthorized services or products, (4) as part of any domain name, electronic address or search engine, or (5) in any other manner MH has not expressly authorized in writing. To the extent you use any Mark in employment-related materials, you must include a clear disclaimer that you (and only you) are the employer of employees and that MH, as the franchisor, is not the employer of your Business's employees and does not engage in any employer-type activities for which only franchisees are responsible, such as employee selection, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions.

You must immediately notify MH of any apparent infringement or challenge to your use of any Mark. MH will take action as it deems appropriate and control any litigation or proceeding. You must assist MH with any action it may take in connection with an infringement or challenge to any Mark. If MH decides to modify or discontinue use of any Mark or use one or more additional or substitute trade or service marks, no matter the circumstances, then you must comply with MH's directions to modify or discontinue the use of such Mark. MH is not required by the Agreement to

defend you against any claim respecting your use of any Mark. MH also is not obligated to reimburse you for your direct expenses in modifying or discontinuing the use of a Mark and substituting a different trademark or service mark, for any loss of goodwill associated with any modified or discontinued Mark, or for your expenditures to promote a modified or substitute trademark or service mark.

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Currently, no patents or patent applications are material to the franchise. MH claims a copyright in its Operating Manual, advertising and marketing materials, and similar items used in the franchise. MH has not registered these copyrights with the United States Copyright Office but need not do so to protect them. There are currently no effective material determinations of the United States Copyright Office or any court regarding any of the copyrighted materials. MH is not obligated to protect or defend copyrights. There are no agreements currently in effect which significantly limit the rights of MH to use or license the use of the copyrighted materials in any manner material to you. MH does not actually know of any infringing uses of its copyrights that could materially affect your use of copyrighted materials in any state. MH is not obligated to reimburse you for your direct expenses in modifying or discontinuing the use of any copyright. Nor are you entitled to any other compensation in such circumstances.

Through the Operating Manual and other means, MH provides confidential information to franchisees. MH's confidential information includes methods, techniques, formats, specifications, procedures, information, systems, sales and marketing techniques and knowledge of and experience in the development, operation and franchising of Hunters-Humbug Businesses (some of which constitutes trade secrets under applicable law). You must keep this information completely confidential. You may not use the confidential information in any other business or make unauthorized copies of any confidential information. Your customer list is included in MH's confidential information, is the property of MH, and constitutes a trade secret of MH. You must implement the procedures that MH requires to prevent unauthorized disclosure of the confidential information. MH has the right to review and approve the form of confidentiality agreement you use and to be a third-party beneficiary of that agreement with independent enforcement rights. MH's right to review and approve the form of agreement is solely to ensure that you adequately protect confidential information. Under no circumstances will MH control the forms or terms of employment agreements you use with your Business's employees or otherwise be responsible for your labor relations or employment practices.

All ideas, concepts, techniques, or materials relating to a Hunters-Humbug Business, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to MH and will be deemed to be MH's sole and exclusive property, part of the franchise system, and works made-for-hire for MH. To the extent any item does not qualify as a "work made-for-hire" for MH, you assign ownership of that item, and all related rights to that item, to MH and must sign whatever assignment or other documents MH requests to show MH's ownership or to help MH obtain intellectual property rights in the item.

Item 15
**OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE
FRANCHISE BUSINESS**

You (or, if you are an entity, your owners) must continuously use your best efforts to promote the Business and devote your full time, energies and attention to the operation of the Business. You must not engage in any business or activity that competes with MH, the Business or the Hunters-Humbug system. However, MH may permit you to engage in other non-competitive business activities if you obtain MH's written consent, which may be withheld in MH's sole discretion. If MH allows you to transfer your rights and obligations under the Agreement to a corporation or other entity that you own, you will remain bound personally by every contractual provision, whether containing monetary or non-monetary obligations, including the covenant not to compete. There are no limits on whom you may hire as an on-premises supervisor if you or your owners do not perform that function. However, any on-premises supervisor must have successfully completed MH's training program and must agree to maintain the confidentiality of MH's proprietary information. Franchise owners are subject to non-competition restrictions.

Item 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell all outdoor pest control products and services, holiday lighting and décor design, installation, and maintenance services, and other related products and services—and only those pest control products and services, holiday lighting and décor design, installation, and maintenance services, and other related products and services—that MH authorizes for sale by the Business in the Territory. You must conduct the Business within the Territory, such that none of the Net Revenues of the Business are derived from customers whose properties are located outside your Territory. You may not offer or sell any other services or products or use any equipment of the Business in any other business or for any other purpose. MH may change the types of authorized services, and there are no limits on its right to do so.

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	1.C of Agreement	10 years.
(b)	Renewal or extension of the term	12.A of Agreement	Your renewal right permits you to obtain a successor franchise for the Business for a 10-year term after the initial term of the Agreement expires if you meet certain requirements.

Provision	Section in Franchise or Other Agreement	Summary
(c) Requirements for franchisee to renew or extend	12 of Agreement	You must have complied with all provisions of the Agreement, refurbish and re-equip each Service Vehicle, and repair or replace equipment. You must give MH notice of at least 6 months, but not more than 12 months, before the end of the initial term. After receiving notice of approval, you must continue to comply with the Agreement and execute MH's then-current form of franchise agreement and related documents, which may have materially different terms and conditions from the Agreement, including different fee requirements and territorial rights. You and your owners must also execute general releases of all claims against MH.
(d) Termination by franchisee	Not Applicable	No specific provision of the Agreement allows you to terminate the Agreement. However, you may terminate under any grounds permitted by law.
(e) Termination by franchisor without cause	Not Applicable	No specific provision.
(f) Termination by franchisor with cause	13 of Agreement	MH has the right to terminate the Agreement if you commit any of several violations (see (g) and (h) below).
(g) "Cause" defined – curable defaults	13 of Agreement	You fail to accurately report the Net Revenues of the Business, or fail to make payments of any amounts due to MH and you do not correct the failure within 10 days after receiving written notice; fail to comply with any other provision of the Agreement or any standard, and do not correct the failure within 30 days after receiving written notice, or you do not provide proof to MH of your efforts to correct the failure if it cannot be cured within 30 days after written notice.

Provision	Section in Franchise or Other Agreement	Summary
(h) “Cause” defined – non-curable defaults	13 of Agreement	You abandon the Business; transfer control of the Business without approval; make material misrepresentation or omission in your franchise application; fail to complete training; are convicted of a felony or other crime; make an unauthorized transfer of assets or ownership interest in the Business; make unauthorized use of confidential information or the Operating Manual; fail on 3 or more separate occasions during any 1-year period to submit when due any reports required by MH, to pay when due the royalty and service fees or other payments due to MH, or otherwise fail to comply with the Agreement; submit to MH on 2 or more separate occasions reports or supporting records understating by more than 3% the fees due for 2 or more months; misuse or make unauthorized use of any Mark (including unauthorized use of any Mark associated with a website); violate any law or create a health or safety hazard; fail to maintain insurance; interfere with MH’s right to inspect the Business; engage in unethical conduct affecting the reputation of the Business, MH, or other Hunters-Humbug Businesses; lose a license necessary to operate the Business; fail to pay taxes; become insolvent or file bankruptcy; violate non-compete provisions of the Agreement; you are in default or fail to cure default (if cure is permitted) under agreement between you and designated supplier of computer software program; the agreement between you and designated supplier of computer software program expires/terminates.
(i) Franchisee’s obligations on termination/nonrenewal	14 of Agreement	Obligations include complete de-identification (including canceling any website associated with the Business), payment of amounts due

Provision	Section in Franchise or Other Agreement	Summary
		to MH or customers within 15 days after the effective date of termination or expiration, cease use of any confidential information, the Operating Manual, and any other proprietary materials.
(j) Assignment of contract by franchisor	11.A of Agreement	Fully transferable by MH.
(k) "Transfer" by franchisee - defined	11.B of Agreement	Includes voluntary or involuntary, direct or indirect assignment, sale, gift, or other disposition of any interest in the Agreement, your ownership, the Business assets, customer lists, or the Business.
(l) Franchisor approval of transfer by franchisee	11.C of Agreement	MH has the right to approve all transfers but will not unreasonably withhold approval if you are in full compliance with the Agreement.
(m) Conditions for franchisor approval of transfer by franchisee	11.B and 11.C of Agreement	If you desire to engage a broker or consultant to identify a potential transferee, you must provide MH at least 90 days' prior notice. Transferee qualifies, transferee assumes all your obligations, you pay all amounts owed to MH and submit all required reports, transferee completes training, transferee executes MH's then-current form of franchise agreement and related documents (which may have different terms and conditions from the Agreement), transferee assumes all your obligations under your agreement with the designated supplier for the computer software program, you pay a transfer fee, you execute a general release of any claims against MH, you pay MH the then-current broker fee if MH engages a broker for you, MH approves the terms of the transfer, you clean and repair the Service Vehicles to MH's satisfaction, you execute a non-competition covenant, and you provide transition services to the transferee at least 60 days after the transfer is complete, you agree to

Provision	Section in Franchise or Other Agreement	Summary
		subordinate to the transferee's obligations to MH any obligations of the transferee to make payments of the purchase price to you.
(n) Franchisor's right of first refusal to acquire franchisee's business	11.E of Agreement	MH can match any offer for the Business.
(o) Franchisor's option to purchase franchisee's business	Not Applicable	No specific provision.
(p) Death or disability of franchisee	11.D of Agreement	Business must be transferred to an approved party within 6 months from the date of death or permanent disability, subject to the conditions in (m) above.
(q) Non-competition covenants during the term of the franchise	4 of Agreement	Subject to state law, you cannot directly or indirectly perform services or have any interest in any Competitive Business located or operating within your Territory, within 50 miles of the boundary of your Territory, within the territory of any other Hunters-Humbug Business, or within 50 miles of the boundary of the territory of any other Hunters-Humbug Business. A "Competitive Business" means any business which operates, or grants franchises or licenses to others to operate, a business for (1) outdoor pest control specializing in the eradication of a wide range of pests, including mosquitoes, fleas, ticks, ants, spiders, rodents, cockroaches, and other pests, (2) the design, installation, and maintenance of holiday lighting and décor, or (3) any related or ancillary services you provide as part of your Hunters-Humbug Business.
(r) Non-competition covenants after the franchise is terminated or expires	14.D of Agreement	For 18 months you cannot have any direct or indirect interest in any Competitive Business located within the same areas described in (q) above. However, MH may enforce this post-term non-competition restriction only

Provision	Section in Franchise or Other Agreement	Summary
		to the extent reasonable under applicable law.
(s) Modification of the agreement	7.E of Agreement	No modification generally, unless by mutual written agreement, but the Operating Manual, specifications and procedures can be changed.
(t) Integration/merger clause	15.N of Agreement	Only the terms of the Agreement, including the preambles and exhibits, and the Operating Manual are binding (subject to state law). Any representations or promises outside of the Disclosure Document and Agreement may not be enforceable.
(u) Dispute resolution by arbitration or mediation	15.F of Agreement	Except for certain claims, all disputes must first be submitted to our and your principals for internal dispute resolution and, if not resolved, to a mediation hearing conducted according to the procedure stated in the Franchise Agreement. Mediation will be held in our then-current home city (currently in New Jersey). Disputes that cannot be resolved through mediation are resolved through arbitration. Arbitration occurs within 10 miles of MH's then-current principal office (currently in New Jersey), subject to state law.
(v) Choice of forum	15.H of Agreement	Subject to arbitration requirement, litigation generally must be in state or federal courts in New Jersey (subject to state law).
(w) Choice of law	15.G of Agreement	Except for Federal Arbitration Act and other federal law, New Jersey law generally governs (subject to state law).

Item 18
PUBLIC FIGURES

MH does not use any public figure to promote MH or the Business.

Item 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in this 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.

All financial performance representations in this Item 19 showing actual franchisee performance are based on internal unaudited historical data. Except as otherwise noted in Table A.7 at the end of this Item 19, these financial performance representations do not include any information related to HUMBUG HOLIDAY LIGHTING lighting and décor services.

Tables A.1 through A.5 reflect certain operating results of 62 franchisees owning 120 franchised territories open for at least one full season during 2025. Tables A.1 through A.5 exclude a total of 21 franchisees (owning 25 franchised territories): (i) 4 franchisees who did not operate for a Full Season in 2025; and (ii) 17 franchisees who did not operate for the full 2025 season after having been fully operational during 2024.

A franchisee who operated for a Full Season during 2025 means a franchisee who was trained, licensed, and in a position to start servicing customers before the beginning of the Spring sales window. A Full Season means the full amount of time during which a franchisee is able to perform treatments within a calendar year for a given market, which varies by geography and seasonality of mosquitoes and other pests. The Tables do not include any affiliate-owned territories.

MH compiled this information from direct reports and surveys from franchisees of actual quantities of mosquito and pest related treatments and services performed by franchisees during 2025. MH did not independently audit the figures in these reports and surveys.

Four Regions are reflected in Tables A.2 through A.5 below. The states appearing in each Region share type of climate and the general length of the mosquito/pest season:

Region 1 consists of Alaska, Massachusetts, Michigan, New Hampshire, New York, and Wisconsin and includes 9 Hunters-Humbug Businesses (owning 17 franchised territories) that operated for a Full Season during 2025 (out of a total of 14 Businesses owning 22 franchised territories that operated in the Region during 2025).

Region 2 consists of Colorado, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Missouri, Nebraska, New Jersey, Ohio, Pennsylvania, South Dakota, Utah, and Virginia and includes 21 Hunters-Humbug Businesses (owning 45 franchised territories) that operated for a Full

Season during 2025 (out of a total of 26 Businesses (owning 52 franchised territories that operated in the Region during 2025).

Region 3 consists of Arkansas, Georgia, Mississippi, North Carolina, Oklahoma, South Carolina, and Tennessee and includes 10 Hunters-Humbug Businesses (owning 16 franchised territories) that operated for a Full Season during 2025 (out of a total of 16 Businesses owning 22 franchised territories that operated in the Region during 2025).

Region 4 consists of Florida, Louisiana, and Texas and includes 22 Hunters-Humbug Businesses (owning 42 franchised territories) that operated for a Full Season during 2025 (out of a total of 27 Businesses owning 49 franchised territories that operated in the Region during 2025).

Table A.1 includes certain 2025 customer counts of franchisees for all franchised Hunters-Humbug Businesses that performed mosquito and other pest control related treatments for the Full Season in 2025. As used in this Item 19, a “customer” means a residential or commercial property that had at least one treatment during 2025. Table A.1 reflects all customers who received any amount of completed mosquito and/or non-mosquito pest control treatments during 2025 from franchisees, whether on a one-time or a recurring basis (and whether or not the services were bundled with each other). It includes all 2025 customers, even if they are no longer active in 2026 for any reason.

Table A.2 includes certain 2025 pricing per treatment (a “treatment” is an application performed on a customer’s property) for mosquito-only control services per franchisee for all Hunters-Humbug Businesses that performed mosquito control treatments for the Full Season in 2025. Table A.2 excludes customer retreatments.

Table A.3 includes certain 2025 pricing per treatment for non-mosquito only pest control services per franchisee for all Hunters-Humbug Businesses that performed pest control related treatments for the Full Season in 2025. Non-mosquito pest control services include additional services that are not mosquito services related, including general pest control, perimeter pest control, and flea and tick applications.

Table A.4 includes certain 2025 quantity and customer value of mosquito-only control services per franchisee for all Hunters-Humbug Businesses that performed mosquito control treatments for the Full Season in 2025. Table A.4 reflects all customers who received completed mosquito control treatments (but not part of bundled programs with non-mosquito pest control services) on a recurring basis during 2025 as part of active recurring programs. Customers receiving one-time services are not included. Therefore, Table A.4 reflects a different base of customers than does Table A.1.

Table A.5 includes certain 2025 quantity and customer value of non-mosquito-only pest control services per franchisee for all Hunters-Humbug Businesses that performed treatments for the Full Season in 2025. Non-mosquito pest control services include additional services that are not mosquito services related, including general pest control, perimeter pest control, and flea and tick applications. Table A.5 reflects all customers who received completed non-mosquito pest control treatments (but not part of bundled programs with mosquito pest control services) on a

recurring basis during 2025 as part of active recurring programs. Customers receiving one-time services are not included. Therefore, Table A.5 reflects a different base of customers than does Table A.1.

Table A.6 includes certain 2025 quantity and customer value for HUMBUG HOLIDAY LIGHTING services for the franchisees who participated in HUMBUG HOLIDAY LIGHTING during 2025. The data includes customer count, total revenue, and total revenue per customer for the 34 franchisees who fully participated in the 2025 holiday lighting season.

Table A.1

Customers Per Strategic Partner Per Quartile During 2025								
<i>Quartile</i>	<i>Number of Franchisees Per Quartile*</i>	<i>Total Customers for Quartile</i>	<i>Average Number of Customers per Franchisee for Quartile</i>	<i>Median Number of Customers per Franchisee for Quartile</i>	<i>Highest Number of Customers per Franchisee for Quartile</i>	<i>Lowest Number of Customers per Franchisee for Quartile</i>	<i>Number of Franchisees with Customers Exceeding Group Average</i>	<i>Percent of Franchisees with Customers Exceeding Group Average</i>
Quartile 1	15	7,780	518.67	420	1,530	364	4	26.67%
Quartile 2	16	4,236	264.75	252	344	214	6	37.50%
Quartile 3	16	2,811	175.69	181	205	135	10	62.50%
Quartile 4	15	1,348	89.87	88	128	46	6	40.00%

* The 15 franchisees in Quartile 1 owned a total of 38 franchised territories (an average of 2.5 territories per franchisee—with 4 franchisees owning 1 territory, 5 franchisees owning 2 territories, 3 franchisees owning 3 territories, 1 franchisee owning 4 territories, 1 franchisee owning 5 territories, and 1 franchisee owning 6 territories).

The 16 franchisees in Quartile 2 owned a total of 30 franchised territories (an average of 1.8 territories per franchisee—with 8 franchisees owning 1 territory, 4 franchisees owning 2 territories, 2 franchisees owning 3 territories, and 2 franchisees owning 4 territories).

The 16 franchisees in Quartile 3 owned a total of 30 franchised territories (an average of 1.8 territories per franchisee—with 6 franchisees owning 1 territory, 7 franchisees owning 2 territories, 2 franchisees owning 3 territories, and 1 franchisee owning 4 territories).

The 15 franchisees in Quartile 4 owned a total of 22 franchised territories (an average of 1.4 territories per franchisee—with 8 franchisees owning 1 territory, and 7 franchisees owning 2 territories).

Table A.2

Mosquito-Only Service Prices Per Region During 2025*						
<i>Price Per Mosquito Treatment by Region Charged by Franchisees</i>	<i>Average Price Per Mosquito Treatment by Region</i>	<i>Median Price Per Mosquito Treatment by Region</i>	<i>High Price Per Mosquito Treatment by Region</i>	<i>Low Price Per Mosquito Treatment by Region**</i>	<i>Number of Treatments (Of Total) For All Customers in Region Exceeding Average Price Per Mosquito Treatment</i>	<i>Percent of Treatments (Of Total) For All Customers in Region Exceeding Average Price Per Mosquito Treatment</i>
Region 1	\$88.69	\$87.13	\$2,992.50	\$1.00	5,953	49.9%
Region 2	\$82.60	\$79.00	\$1,596.00	\$9.00	15,954	42.7%
Region 3	\$75.33	\$74.00	\$3,149.99	\$1.00	8,691	43.3%
Region 4	\$92.58	\$80.34	\$2,637.38	\$5.00	11,839	30.7%

* This data set excludes Smart Repellent Systems installations, which is a separate add-on service offering for a franchisee and not considered a part of the basic mosquito treatment/application program.

** These low prices typically reflect introductory or “friends and family” discounts.

Table A.3

Non-Mosquito Pest Control Service Prices Per Region During 2025*						
<i>Price Per Non-Mosquito Treatment by Region Charged by Franchisees</i>	<i>Average Price Per Non-Mosquito Treatment by Region</i>	<i>Median Price Per Non-Mosquito Treatment by Region</i>	<i>High Price Per Non-Mosquito Treatment by Region</i>	<i>Low Price Per Non-Mosquito Treatment by Region**</i>	<i>Number of Treatments (Of Total) For All Customers in Region Exceeding Average Price Per Non-Mosquito Treatment</i>	<i>Percent of Treatments (Of Total) For All Customers in Region Exceeding Group Average Price Per Non-Mosquito Treatment</i>
Region 1	\$83.47	\$73.39	\$845.00	\$20.00	757	37.4%
Region 2	\$65.82	\$54.00	\$1,938.00	\$5.00	2,859	41.6%
Region 3	\$67.91	\$64.00	\$847.80	\$10.00	623	42.6%
Region 4	\$81.66	\$69.00	\$2,500.00	\$10.00	3072	38.1%

* Non-Mosquito Services include additional services that are not mosquito services related, including general pest control, perimeter pest control, and flea and tick applications.

This data set excludes Smart Repellent Systems installations, which is a separate add-on service offering for a franchisee and not considered a part of the basic mosquito treatment/application program.

** These low prices typically reflect introductory or “friends and family” discounts.

Table A.4

Quantity and Value of Mosquito-Only Treatments During 2025*													
<i>Mosquito Program Treatment Regions</i>	<i>Potential Treatments Per Program**</i>	<i>Average Actual Quantity of Mosquito Treatments Performed Per Active Recurring Customer</i>	<i>Median Actual Quantity of Mosquito Treatments Performed Per Active Recurring Customer</i>	<i>Low Actual Quantity of Mosquito Treatments Performed Per Active Recurring Customer</i>	<i>High Actual Quantity of Mosquito Treatments Performed Per Active Recurring Customer</i>	<i>Number of Customers in Region (Of Total) Exceeding Group Average Actual Quantity of Mosquito Treatments Performed Per Active Recurring Customer</i>	<i>Percent of Customers in Region (Of Total) Exceeding Group Average Actual Quantity of Mosquito Treatments Performed Per Active Recurring Customer</i>	<i>Average Actual Mosquito Customer Program Value</i>	<i>Median Actual Mosquito Customer Program Value</i>	<i>High Actual Mosquito Customer Program Value</i>	<i>Low Actual Mosquito Customer Program Value</i>	<i>Number of Customers in Region (Of Total) Exceeding Group Average Actual Mosquito Customer Program Value</i>	<i>Percent of Customers in Region (Of Total) Exceeding Group Average Actual Mosquito Customer Program Value</i>
Region 1	9.12	6.26	7	1	14	949	51%	\$828.75	\$809.91	\$17,955.00	\$75.00	893	48%
Region 2	9.73	7.12	8	1	15	2,626	53.6%	\$848.85	\$799.50	\$15,960.00	\$59.00	2,403	49.1%
Region 3	11.45	8.13	9	1	14	1,229	54.7%	\$864.35	\$839.94	\$4,200.00	\$10.00	996	44.3%
Region 4	15.26	10.52	11	1	20	1,654	53.7%	\$1,431.51	\$1,296.00	\$18,000.00	\$73.00	1,085	35.2%

* This data set excludes Smart Repellant Misting Installations, which is a separate add-on service offering for a franchisee and not considered a part of the basic mosquito treatment/application program. It also excludes non-mosquito pest control services such as general pest control, perimeter pest control, and flea and tick applications.

** “Potential Treatments Per Program” means the potential average number of mosquito treatments that could have been performed for each customer within the particular Region for the Full Season during 2025 based on the markets in the Region in which MH’s franchisees operated during 2025 (the number of potential treatments depends on market-based factors, including geography and weather conditions in the Region, length of the season for applying mosquito treatments, and seasonality of mosquitoes). Part of MH’s proprietary system is assessing the length of a mosquito season in various states and regions (using these market-based factors) and, in turn, how many times the brand’s chemical treatments must be applied over the course of that season to combat mosquitos effectively. Therefore, this “Potential Treatments per Program” column in this Table A.4 is the maximum number of times during a full single

“mosquito season” in the Region—based on its unique weather characteristics—that a franchisee typically would apply chemicals (i.e., treatments) on a single client’s property.

Table. A.5

Quantity and Value of Non-Mosquito Treatments During 2025													
<i>Non-Mosquito Program Treatment Regions</i>	<i>Potential Non-Mosquito Program Treatments Per Active Recurring Customer*</i>	<i>Average Actual Quantity of Non-Mosquito Treatments Performed Per Active Recurring Customer</i>	<i>Median Actual Quantity of Non-Mosquito Treatments Performed Per Active Recurring Customer</i>	<i>Low Actual Quantity of Non-Mosquito Treatments Performed Per Active Recurring Customer</i>	<i>High Actual Quantity of Non-Mosquito Treatments Performed Per Active Recurring Customer</i>	<i>Number of Customers in Region (Of Total) Exceeding Group Average Actual Quantity of Non-Mosquito Treatments Performed Per Active Recurring Customer</i>	<i>Percent of Customers in Region (Of Total) Exceeding Group Average Actual Quantity of Non-Mosquito Treatments Performed Per Active Recurring Customer</i>	<i>Customer Program Average Actual Value of Non-Mosquito Treatments</i>	<i>Customer Program Median Actual Value of Non-Mosquito Treatments</i>	<i>Customer Program High Actual Value of Non-Mosquito Treatments</i>	<i>Customer Program Low Actual Value of Non-Mosquito Treatments</i>	<i>Number of Customers in Region (Of Total) Exceeding Group Average Actual Customer Program Value of Non-Mosquito Treatments</i>	<i>Percent of Customers in Region (Of Total) Exceeding Group Average Actual Customer Program Value of Non-Mosquito Treatments</i>
Region 1	5.17	3.25	3	1	16	181	31.3%	\$419.26	\$316.00	\$3,380.00	\$50.00	188	32.5%
Region 2	6.3	4.32	3	1	24	448	33.3%	\$447.07	\$295.00	\$10,715.00	\$15.00	418	31.1%
Region 3	6.26	3.61	3	1	19	149	42.3%	\$437.14	\$350.00	\$2,313.90	\$32.50	118	33.5%
Region 4	6.88	3.95	3	1	37	529	43.6%	\$593.37	\$498.00	\$5,926.00	\$30.00	477	39.3%

* “Potential Non-Mosquito Program Treatments Per Customer” means the potential average number of mosquito treatments that could have been performed for each customer within the particular Region for the Full Season during 2025 based on the markets in the Region in which MH’s franchisees operated during 2025 (the number of potential treatments depends on market-based factors, including geography and weather conditions in the Region, length of the season for applying treatments, and seasonality of pests). Part of MH’s proprietary system is assessing the length of the pest season in various states and regions (using these market-based factors) and, in turn, how many times the brand’s chemical treatments must be applied over the course of that season to combat pests effectively. Therefore, this “Potential Non-Mosquito Program Treatments Per Customer” column in this Table A.5 is the maximum number of times during a full single “non-mosquito pest season” in the Region—based on its unique weather characteristics—that a franchisee typically would apply chemicals (i.e., treatments) on a single client’s property.

Non-Mosquito Services include additional services that are not mosquito services related, including general pest control, perimeter pest control, and flea and tick applications.

Table A.6

HUMBUG HOLIDAY LIGHTING Installations During 2025			
	<i>Customer Count</i>	<i>Revenue Per Customer</i>	<i>Revenue Per Franchisee</i>
Average	56.9	\$1,555.06	\$95,296.27
Median	39.5	\$1,454.87	\$62,161.96
High	159	\$3,185.56	\$551,102.26
Low	11	\$621.08	\$20,045.51
Number and % of Franchisees Exceeding Average	15 / 44%	14 / 41%	11 / 32%

Written substantiation of all financial performance information presented in this financial performance representation will be made available to you upon reasonable request.

Some outlets have sold this amount. Your individual results may differ. There is no assurance that you will sell as much.

Other than the preceding financial performance representation, MH does not make any financial performance representations. MH also does not authorize its employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, MH 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 Scott D. Frith at 142 State Route 34, Holmdel, New Jersey 07733, (732) 946-4300, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20
OUTLETS AND FRANCHISEE INFORMATION

All year-end numbers appearing in the tables below are as of December 31st in each year.

Table No. 1

Systemwide Outlet Summary
For years 2023 to 2025

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2023	123	122	-1
	2024	122	135	+13
	2025	135	145	+10
Company- Owned	2023	6	6	0
	2024	6	6	0
	2025	6	0	-6
Total Outlets	2023	129	128	-1
	2024	128	141	+13
	2025	141	145	+4

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2023 to 2025

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Colorado	2023	0
	2024	1
	2025	0

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Florida	2023	3
	2024	0
	2025	4
Georgia	2023	0
	2024	2
	2025	1
Illinois	2023	0
	2024	0
	2025	1
Louisiana	2023	1
	2024	0
	2025	0
Michigan	2023	0
	2024	0
	2025	2
Missouri	2023	0
	2024	0
	2025	1
New Jersey	2023	0
	2024	1
	2025	2
Pennsylvania	2023	2
	2024	0
	2025	0
Texas	2023	2
	2024	1
	2025	4
Total	2023	8
	2024	5
	2025	15

Table No. 3

**Status of Franchised Outlets
For years 2023 to 2025**

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non- Renewals	Col. 7 Reacquiredby Franchisor	Col. 8 Ceased Operations- Other Reasons	Col. 9 Outlets at End of the Year
Arkansas	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Colorado	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Florida	2023	12	0	1	0	0	0	11
	2024	11	3	0	0	0	0	14
	2025	14	0	0	0	0	0	14
Georgia	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
	2025	5	1	0	0	0	0	6
Illinois	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	6	0	0	0	0	10
Indiana	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Iowa	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non- Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations- Other Reasons	Col. 9 Outlets at End of the Year
Kansas	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	2	0	0	0	0	2
Kentucky	2023	2	0	2	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
Louisiana	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	0	0	0	0	0	4
Maryland	2023	4	2	0	0	0	0	6
	2024	6	0	0	0	0	0	6
	2025	6	0	0	0	0	0	6
Massachusetts	2023	1	0	0	0	0	0	1
	2024	1	2	0	0	0	0	3
	2025	3	0	0	0	0	0	3
Michigan	2023	7	0	0	0	0	0	7
	2024	7	0	0	0	0	0	7
	2025	7	0	0	0	0	0	7
Mississippi	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	2	0	0	0	0
Missouri	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
	2025	4	0	0	0	0	0	4
New Jersey	2023	9	0	0	0	0	0	9
	2024	9	0	0	0	0	0	9
	2025	9	0	0	0	0	0	9

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non- Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations- Other Reasons	Col. 9 Outlets at End of the Year
New York	2023	9	3	0	0	0	0	12
	2024	12	0	0	0	0	0	12
	2025	12	0	2	0	0	0	10
North Carolina	2023	6	0	0	0	0	0	6
	2024	6	0	0	0	0	0	6
	2025	6	0	0	0	0	0	6
Ohio	2023	5	2	1	0	0	0	6
	2024	6	2	0	0	0	0	8
	2025	8	0	0	0	0	0	8
Oklahoma	2023	1	0	1	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
Pennsylvania	2023	5	0	0	0	0	0	5
	2024	5	0	0	0	0	0	5
	2025	5	0	0	0	0	0	5
South Carolina	2023	5	0	0	0	0	0	5
	2024	5	2	0	0	0	0	7
	2025	7	0	0	0	0	0	7
South Dakota	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Tennessee	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
	2025	2	3	0	0	0	0	5
Texas	2023	27	3	4	0	0	0	26
	2024	26	1	0	0	0	0	27
	2025	27	0	0	0	0	0	27

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non- Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations- Other Reasons	Col. 9 Outlets at End of the Year
Utah	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Virginia	2023	3	0	2	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	1	0	0	0	0	2
Wisconsin	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	2	1	0	0	0	2
Total	2023	123	10	11	0	0	0	122
	2024	122	13	0	0	0	0	135
	2025	135	15	5	0	0	0	145

Table No. 4

**Status of Company-Owned Outlets
For years 2022 to 2025**

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of the Year	Col. 4 Outlets Opened	Col. 5 Outlets Reacquired From Franchisee	Col. 6 Outlets Closed	Col. 7 Outlets Sold to Franchisee	Col. 8 Outlets at End of the Year
Illinois	2023	6	0	0	0	0	6
	2024	6	0	0	0	0	6
	2025	6	0	0	0	6	0
Totals	2023	6	0	0	0	0	6
	2024	6	0	0	0	0	6
	2025	6	0	0	0	6	0

Table No. 5

Projected Openings As Of December 31, 2025

Column 1 State	Column 2 Franchise Agreements Signed But Outlet Not Opened	Column 3 Projected New Franchised Outlet In The Next Fiscal Year	Column 4 Projected New Company-Owned Outlet In the Next Fiscal Year
Maryland	1	0	0
Michigan	3	0	0
New York	2	0	0
South Carolina	1	0	0
Total	7	0	0

Attached as Exhibit G is a list of all franchisees, with addresses and telephone numbers, as of December 31, 2025. Attached as Exhibit H is a list of all franchisees who were terminated, cancelled, or not renewed, or otherwise voluntarily or involuntarily ceased to do business under their franchise agreements, during 2025 or who have not communicated with MH within 10 weeks of the Disclosure Document's issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last 3 fiscal years, no current or former franchisees have signed confidentiality clauses restricting them from discussing with you their experiences as a franchisee in MH's franchise system. There are no trademark-specific franchisee organizations associated with the Hunters-Humbug franchise system.

Item 21
FINANCIAL STATEMENTS

The following financial statements are attached to this Disclosure Document as Exhibit I:

The consolidated audited financial statements of MH's parent company, LD Parent, Inc. (and its subsidiaries), as of (a) December 31, 2025, and December 31, 2024, and for the years then ended, and (b) December 31, 2024, and December 31, 2023, and for the years then ended.

LD Parent, Inc. absolutely and unconditionally guarantees to assume MH's duties and obligations to you under the Franchise Agreement disclosed to you in this Disclosure Document. A copy of the Guarantee of Performance also appears in Exhibit I.

Item 22
CONTRACTS

The following agreements are attached as exhibits to this Disclosure Document:

- Exhibit A: Pest Hunters-Mosquito Hunters-Humbug Holiday Lighting Franchise Agreement
- Exhibit B: Electronic Funds Transfer Authorization
- Exhibit C: Assignment and Assumption Agreement
- Exhibit D: Extranet Agreement
- Exhibit J: State Riders to Franchise Agreement

Item 23
RECEIPTS

MH's and your copies of the Franchise Disclosure Document Receipt are located at the last 2 pages of this Disclosure Document.

EXHIBIT A
FRANCHISE AGREEMENT

A-1

MOSQUITO HUNTERS, LLC

PEST HUNTERS-MOSQUITO HUNTERS-HUMBUG HOLIDAY LIGHTING
FRANCHISE AGREEMENT

FRANCHISEE

d/b/a PEST HUNTERS-MOSQUITO
HUNTERS-HUMBUG HOLIDAY
LIGHTING OF _____

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EXHIBITS**EXHIBIT A – OWNERS OF FRANCHISEE**

**PEST HUNTERS-MOSQUITO HUNTERS-HUMBUG HOLIDAY LIGHTING
FRANCHISE AGREEMENT**

THIS PEST HUNTERS-MOSQUITO HUNTERS-HUMBUG HOLIDAY LIGHTING FRANCHISE AGREEMENT (this “Agreement”) is made and entered into by and between **MOSQUITO HUNTERS, LLC**, a Delaware limited liability company with its principal office at 142 State Route 34, Holmdel, New Jersey 07733 (the “COMPANY”) and _____ d/b/a Pest Hunters-Mosquito Hunters-Humbug Holiday Lighting of _____, whose principal address is _____ (“FRANCHISEE”) as of the date signed by the COMPANY and set forth opposite the COMPANY’s signature on this Agreement (the “Agreement Date”).

1. DEFINITIONS, PREAMBLES AND GRANT OF FRANCHISE.

A. DEFINITIONS.

For purposes of this Agreement, the terms listed below have the meanings that follow them. Other terms used in this Agreement are defined in the context in which they occur in this Agreement.

“**Agreement Date**” shall have the meaning set forth in the first paragraph hereof.

“**Business Assets**” shall mean the assets relating to FRANCHISEE’s HUNTERS-HUMBUG Business, including, but not limited to, customer lists, customer contracts and any other information relating to customers of FRANCHISEE’s HUNTERS-HUMBUG Business.

“**Centrally Managed Paid Media Investment**” shall have the meaning set forth in Section 8.C. hereof.

“**Customer List**” shall have the meaning set forth in Section 4.A. hereof.

“**Competitive Business**” shall mean any business which operates, or grants franchises or licenses to others to operate, a business for (1) outdoor pest control specializing in the eradication of a wide range of pests, including mosquitoes, fleas, ticks, ants, spiders, rodents, cockroaches, and other pests, (2) the design, installation, and maintenance of holiday lighting and décor, or (3) any related or ancillary services provided by FRANCHISEE as part of its HUNTERS-HUMBUG Business.

“**COMPANY**” shall have the meaning set forth in the first paragraph hereof.

“**Confidential Information**” shall have the meaning set forth in Section 4.A. hereof.

“**Controlling Interest**” shall mean a greater than fifty percent (50%) interest in the equity or voting control of any entity.

“**Franchise**” shall have the meaning set forth in Section 1.C. hereof.

“FRANCHISEE” shall have the meaning set forth in the first paragraph hereof.

“HUNTERS-HUMBUG Business” shall have the meaning set forth in Section 1.B. hereof, and shall include the Business Assets.

“Initial Franchise Fee” shall have the meaning set forth in Section 6.A. hereof.

“Local Marketing Obligation” shall have the meaning set forth in Section 8.A. hereof.

“Market Share” means the percentage of single family residences in the Territory under contract to FRANCHISEE’s HUNTERS-HUMBUG Business out of the total single family residences in the Territory (as determined by demographic or market data from third-party sources reasonably selected by the COMPANY), provided, however, that such Market Share shall apply only to single family residences in the Territory under contract to FRANCHISEE for outdoor pest control specializing in the eradication of a wide range of pests, including mosquitoes, fleas, ticks, ants, spiders, rodents, cockroaches, and other pests.

“Marks” shall have the meaning set forth in Section 1.B. hereof.

“National Marketing Fund (NMF)” shall have the meaning set forth in Section 8.D.

“Net Revenues” means and includes the actual gross revenues collected from customers of FRANCHISEE in connection with services performed or to be performed for such customers, whether for cash or credit, plus any and all other revenues derived from the operation of the Franchise by FRANCHISEE, but excluding all federal, state or municipal sales, use, service or excise taxes collected from customers and paid to the appropriate taxing authorities, and customer refunds and credit adjustments.

“Operating Manual” means the form of the COMPANY’s operating manual for the operation of a HUNTERS-HUMBUG Business, which may include one or more separate manuals as well as compact discs, computer software, information available on an Internet site, other electronic media, and/or written materials.

“Service Vehicles” means the vehicle(s) used by FRANCHISEE in connection with the operation of his HUNTERS-HUMBUG Business, including, but not limited to, any van, trailer or other vehicle.

“Territory” shall have the meaning set forth in Section 1.C. hereof.

“Transfer” means and includes a voluntary, involuntary, direct or indirect assignment, sale, gift or other disposition by FRANCHISEE (or any of its owners) of any interest in this Agreement, the ownership of FRANCHISEE, the Business Assets or the HUNTERS-HUMBUG Business. An assignment, sale, gift or other disposition shall include the following events: (a) the transfer of ownership of capital stock, membership interest, partnership interest, or other ownership interest; (b) merger or consolidation, or issuance

of additional ownership interests in FRANCHISEE; (c) sale of any ownership interest in FRANCHISEE or any interest or right convertible to an ownership interest in FRANCHISEE; (d) transfer of interest in FRANCHISEE or the Business Assets in a divorce, insolvency, corporate or partnership dissolution proceeding or otherwise by operation of law; (e) transfer of interest in FRANCHISEE or the Business Assets in the event of the death of FRANCHISEE or an owner of FRANCHISEE by will, declaration of a transfer in trust, or under the laws of intestate succession. Any such assignment or transfer without such approval shall constitute a breach hereof and convey no rights to or interests in FRANCHISEE's HUNTERS-HUMBUG Business, this Agreement, the Business Assets or the Franchise.

"Website" means an interactive electronic document contained in a central computer linked to communications software service providers.

B. PREAMBLES.

The COMPANY has designed and developed methods for (1) outdoor pest control that offers under certain Marks distinctive, comprehensive, outdoor pest control specializing in the eradication of a wide range of pests, including mosquitoes, fleas, ticks, ants, spiders, rodents, cockroaches, and other pests, through a regular spraying system and maintenance program for residential and commercial application and (2) designing, installing, maintaining, removing, and storing holiday lighting and décor under certain Marks (the term "HUNTERS-HUMBUG Business" is the shortened term used to identify and reference the business that FRANCHISEE operates under the Marks, as defined below). The HUNTERS-HUMBUG Business utilizes certain specifications, standards, operating procedures and specialized equipment to protect the quality of the COMPANY's products and services, all of which may be improved, further developed or otherwise modified from time to time. The COMPANY owns all rights to, interest in and goodwill of, and uses, promotes and licenses, certain trade names, trademarks and service marks and other commercial symbols in connection with HUNTERS-HUMBUG Businesses, including the trade and service marks "MOSQUITO HUNTERS," the "Mosquito Hunters" design logo, "PEST HUNTERS," the "Pest Hunters-Mosquito Hunters" design logo, "HUMBUG HOLIDAY LIGHTING," the "Humbug Holiday Lighting" design logo, and other trademarks and service marks (the "Marks").

FRANCHISEE acknowledges that:

(1) The COMPANY's officers, directors, employees and agents act only in a representative and not in a personal capacity in their dealings with FRANCHISEE.

(2) FRANCHISEE understands and accepts the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain the quality of the COMPANY's brand, products, and services.

(3) FRANCHISEE made no misrepresentations in obtaining the Franchise.

The acknowledgments in clauses (4) through (6) below apply to all franchisees and franchises except not to any franchisees and franchises that are subject to the state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

(4) FRANCHISEE has conducted an independent investigation of the business contemplated by this Agreement and recognizes that it involves business risks and that the success of the venture is largely dependent upon the business abilities of FRANCHISEE.

(5) The COMPANY's grant of a franchise to FRANCHISEE to operate a HUNTERS-HUMBUG Business and FRANCHISEE's completion of the COMPANY's training program are not representations or guarantees of the HUNTERS-HUMBUG Business' success or profitability.

(6) FRANCHISEE has not received or relied upon any warranty or guaranty, express or implied, as to the potential revenues, profits or success of the Franchise (defined below) or policies made by the COMPANY or its officers, directors, employees or agents that are contrary to the statements made in the COMPANY's Disclosure Document.

C. GRANT OF FRANCHISE.

FRANCHISEE has applied for a franchise to operate a HUNTERS-HUMBUG Business and such application has been approved by the COMPANY in reliance upon all of the representations made therein. Subject to the provisions of this Agreement, the COMPANY hereby grants to FRANCHISEE a franchise (the "Franchise") to operate a HUNTERS-HUMBUG Business in the Territory (as further described herein) and to use the Marks in the operation thereof for a term of ten (10) years commencing on the Agreement Date. Termination or expiration of this Agreement shall constitute a termination or expiration of the Franchise. FRANCHISEE agrees to commence the conduct of his HUNTERS-HUMBUG Business within fifteen (15) days after his completion of the COMPANY's training program. If FRANCHISEE requests, the COMPANY may, at its sole option, grant FRANCHISEE an extension of the fifteen (15)-day period.

FRANCHISEE agrees to conduct his HUNTERS-HUMBUG Business initially within the following territory:_____

_____ (the "Territory"). The Territory shall contain approximately, but no less than, twenty-five thousand (25,000) single family residences. If this Agreement is being executed pursuant to a transfer, renewal or grant of a successor agreement, FRANCHISEE acknowledges and agrees that this Section 1.C. does not grant FRANCHISEE any rights to expand the number of single family residences in his Territory notwithstanding anything to the contrary contained herein.

If, at any time after the fourth (4th) anniversary of the Agreement Date, FRANCHISEE's "Market Share" falls below the level required in the next sentence, the COMPANY shall have the right to reduce the size of FRANCHISEE's Territory by redrawing its boundaries in the COMPANY's sole discretion. FRANCHISEE's Market Share in the Territory shall be no less than

seventy percent (70%) of the average market share of all HUNTERS-HUMBUG Businesses which have been in operation for four (4) or more years. In order for FRANCHISEE to acquire additional Territories, FRANCHISEE must have a Market Share of at least two percent (2%) in all of the Territories FRANCHISEE is operating in at the time of notifying the COMPANY of FRANCHISEE's interest in acquiring an additional Territory. However, despite the language above, this Market Share concept shall apply only with respect to the portion of FRANCHISEE's HUNTERS-HUMBUG Business for outdoor pest control specializing in the eradication of a wide range of pests, including mosquitoes, fleas, ticks, ants, spiders, rodents, cockroaches, and other pests.

So long as FRANCHISEE is in compliance with this Agreement, but except as provided in clauses (1) through (3) below, the COMPANY will not operate or grant a franchise for the operation of a HUNTERS-HUMBUG Business with a territory which overlaps in any material respect with FRANCHISEE's Territory during the term of this Agreement. Except for this limitation, the COMPANY and its affiliates retain all rights with respect to HUNTERS-HUMBUG Businesses, the Marks, and any other activities the COMPANY and its affiliates deem appropriate, including, but not limited to:

(1) the right to provide, offer and sell, and to grant others the right to provide, offer and sell, products similar to and/or competitive with those offered and sold at HUNTERS-HUMBUG Businesses, whether identified by the Marks or other trademarks or service marks, through dissimilar distribution channels (including, without limitation, via catalog, the internet or other media) both inside and outside FRANCHISEE's Territory and on any terms and conditions the COMPANY deems appropriate;

(2) the right to establish and operate, and grant to others the right to establish and operate, businesses offering and selling dissimilar products and services under the Marks and other trademarks and service marks, both inside and outside FRANCHISEE's Territory and on any terms and conditions the COMPANY deems appropriate;

(3) the right to establish and operate, and grant to others the right to establish and operate, businesses offering and selling mosquito control and other pest control services (and related products)—and/or businesses designing, installing, maintaining, and removing holiday lighting and décor—and identified by trademarks or service marks other than the Marks (including, without limitation, by the LAWN DOCTOR trademark/service mark, the HOLIDAY LIGHTING HEROES trademark/service mark, the SPARKLE SQUAD trademark/service mark, and any other trademarks or service marks) through similar and dissimilar distribution channels, both inside and outside FRANCHISEE's Territory and on any terms and conditions the COMPANY deems appropriate;

(4) the right to operate, and to grant others the right to operate HUNTERS-HUMBUG Businesses with territories which do not overlap in any material respect FRANCHISEE's Territory under any terms and conditions the COMPANY deems appropriate and regardless of proximity to FRANCHISEE's HUNTERS-HUMBUG Business;

(5) the right to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at a HUNTERS-HUMBUG Business, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the Franchisees or licensees of these businesses) are located or operating (including in FRANCHISEE's Territory); and

(6) the right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction) by a business providing products and services similar to those provided at HUNTERS-HUMBUG Businesses, or by another business, even if such business operates, franchises and/or licenses competitive businesses in FRANCHISEE's Territory.

FRANCHISEE agrees that he will at all times faithfully, honestly and diligently perform his obligations hereunder and that he will continuously exert his best efforts to effectively promote and enhance his HUNTERS-HUMBUG Business and develop and service customers within the Territory. FRANCHISEE agrees to conduct his HUNTERS-HUMBUG Business within the Territory, such that none of the Net Revenues (as defined herein) of his HUNTERS-HUMBUG Business are derived from customers whose properties are located outside FRANCHISEE's Territory.

If FRANCHISEE has customers whose properties are located outside the Territory, and the COMPANY grants to another Franchisee a territory that encompasses such properties of FRANCHISEE's customers, then FRANCHISEE shall transfer and assign such customers to such other Franchisee at no charge. FRANCHISEE must pay to the COMPANY a royalty of fifteen percent (15%) of the Net Revenues for all business conducted outside the FRANCHISEE's Territory. This fifteen percent (15%) royalty is in addition to the required weekly royalty of ten percent (10%) of the Net Revenues of the HUNTERS-HUMBUG Business, as described in Section 6.B.

Subject to the COMPANY's approval, FRANCHISEE shall have the right to relinquish a portion of the Territory for inclusion in the territory of a Franchise granted by the COMPANY to another person or entity. FRANCHISEE shall be entitled to any consideration which such person agrees to pay for such relinquishment over and above the initial franchise fee payable to the COMPANY in connection with the grant of such franchise.

D. INDEPENDENT CONTRACTORS.

FRANCHISEE and the COMPANY understand and agree that this Agreement does not create a fiduciary relationship between FRANCHISEE and the COMPANY, that FRANCHISEE and the COMPANY are and will be independent contractors, and that nothing in this Agreement, including the term "franchisee," is intended to make either FRANCHISEE or the COMPANY a general or special agent, joint venturer, partner or employee of the other for any purpose. Nor is the COMPANY the employer or joint employer of FRANCHISEE's HUNTERS-HUMBUG Business employees. FRANCHISEE agrees to identify itself conspicuously in all dealings with clients, suppliers, distributors, public officials and others as the HUNTERS-HUMBUG Business'

owner, operator, and manager under a franchise the COMPANY has granted and to place notices of independent ownership on the forms, business cards, stationery, advertising and other materials the COMPANY requires from time to time. The COMPANY will not exercise direct or indirect control over the working conditions of FRANCHISEE's HUNTERS-HUMBUG Business personnel, except to the extent such indirect control is related to the COMPANY's legitimate interest in protecting the quality of the COMPANY's brand, products, or services. The COMPANY does not share or codetermine the terms and conditions of employment of FRANCHISEE's HUNTERS-HUMBUG Business employees and does not affect matters relating to the employment relationship between FRANCHISEE and its HUNTERS-HUMBUG Business employees, such as employee selection, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions. To that end, FRANCHISEE agrees to identify itself conspicuously in all dealings with its HUNTERS-HUMBUG Business personnel as the employer of such personnel and to notify such personnel that the COMPANY, as the franchisor, is not their employer and does not engage in any employer-type activities for which only franchisees are responsible, such as employee selection, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions.

2. TRAINING AND GUIDANCE.

A. TRAINING.

The COMPANY shall furnish a training program on the operation of the HUNTERS-HUMBUG Business at such time and place as the COMPANY designates. (This is the training for which FRANCHISEE must pay the initial training and support fee specified in Section 6.A.(2) below.) This training will not include training on matters relating to labor relations and employment practices. FRANCHISEE shall have the right to designate up to two (2) individuals (including FRANCHISEE (or its principal owner) and a general manager) to participate in the training program, provided that such individuals attend the training program together. FRANCHISEE (or its principal owner) and, if applicable, its general manager must commence training no later than one hundred eighty (180) days after this Agreement's effective date. FRANCHISEE shall be responsible for all travel and living expenses incurred in connection with the training program. If, during the training program, the COMPANY determines, in its sole discretion, that FRANCHISEE (or its principal owner) or his designee (such as a general manager) is not qualified to operate a HUNTERS-HUMBUG Business or has not satisfactorily completed the training program, the COMPANY shall have the right to require such individuals to attend the next initial training program at FRANCHISEE's expense (including all travel and living expenses incurred by FRANCHISEE (or its principal owner) and his designee(s) in connection therewith). If FRANCHISEE's (or its principal owner's) or a designee's performance in the additional training program is unsatisfactory, the COMPANY shall have the right to terminate this Agreement effective upon delivery of notice of termination to FRANCHISEE. The COMPANY shall have the right to require that FRANCHISEE (or its principal owner) and, if applicable, his general manager complete supplemental and refresher training programs, to be furnished without charge, at designated locations. FRANCHISEE shall pay all such travel and living expenses therefor. At its

option, the COMPANY may provide some or all training programs in a virtual environment via a restricted website or extranet to which FRANCHISEE will have access.

B. GUIDANCE.

The COMPANY shall furnish to FRANCHISEE guidance in connection with the operation of his HUNTERS-HUMBUG Business. Such guidance shall, in the sole discretion of the COMPANY, be furnished in the Operating Manual. The COMPANY may, at its option, provide additional guidance to FRANCHISEE via presentation materials and content on the COMPANY's learning management program. The COMPANY may also provide guidance via telephonic conversations and/or consultation with supervisory personnel at the offices of the COMPANY or FRANCHISEE's office. Additional guidance and assistance shall be available to supervisory personnel, in the sole discretion of the COMPANY, at per diem fees and charges established from time to time by the COMPANY.

The COMPANY will during the term of the Franchise provide FRANCHISEE with access to one (1) copy of the Operating Manual. The Operating Manual shall contain mandatory and suggested specifications, standards and operating procedures prescribed from time to time by the COMPANY for the operation of a HUNTERS-HUMBUG Business and information relative to other obligations of FRANCHISEE hereunder so that the quality of the COMPANY's brand, products, and services is maintained. The COMPANY shall have the right to add to and to otherwise modify the Operating Manual from time to time to reflect changes in authorized products, services and equipment, standards of product and service quality and performance, and the operation of the HUNTERS-HUMBUG Business, provided that no such addition or modification shall alter FRANCHISEE's fundamental status and rights under this Agreement. FRANCHISEE shall keep his copy of the Operating Manual current; however, in the event of a dispute, the master copy maintained by the COMPANY at its principal office shall be controlling. FRANCHISEE agrees that the contents of the Operating Manual are confidential and that FRANCHISEE will not disclose the Operating Manual to any person other than employees of his HUNTERS-HUMBUG Business who need to know its contents. FRANCHISEE shall not, at any time, copy or otherwise reproduce any part of the Operating Manual. As further described in Section 7.J., the COMPANY may post some or all of the Operating Manual on a website or extranet to which FRANCHISEE has access.

C. CONVENTIONS/CONFERENCES.

The COMPANY periodically may conduct conventions or conferences for some or all of its franchisees ("Conventions"). FRANCHISEE must attend one or more of these Conventions (as the COMPANY specifies) and pay all expenses incurred in attending, including registration, transportation, and meals, lodging, and living expenses. The COMPANY will determine the duration and location of and curriculum for the Conventions. FRANCHISEE must pay the applicable registration fee for each Convention when it registers or as otherwise directed by the COMPANY. This fee is not refundable. FRANCHISEE must pay a registration fee even if it does not attend (or plan to attend) the particular Convention. If FRANCHISEE owns and operates more than one HUNTERS-HUMBUG Business franchise, FRANCHISEE need only pay a single Convention registration fee for a particular Convention.

3. **MARKS.**

A. **OWNERSHIP AND GOODWILL OF MARKS.**

FRANCHISEE acknowledges that his right to use the Marks is derived solely from this Agreement and is limited to his conduct of business pursuant to and in compliance with this Agreement and all applicable standards, specifications and operating procedures prescribed by the COMPANY from time to time during the term of the Franchise, including, but not limited to, standards and procedures prescribed by the COMPANY with respect to FRANCHISEE's use of any Mark in connection with a website. Any unauthorized use of the Marks by FRANCHISEE, including, but not limited to, use by FRANCHISEE of any Mark as part of a website domain name or electronic address, shall constitute an infringement of the rights of the COMPANY in and to the Marks. FRANCHISEE agrees that all usage of the Marks by FRANCHISEE and any goodwill established thereby shall inure to the exclusive benefit of the COMPANY and FRANCHISEE acknowledges that this Agreement does not confer any goodwill or other interests in the Marks upon FRANCHISEE. All provisions of this Agreement applicable to the Marks shall apply to any additional proprietary trade and service marks and commercial symbols the COMPANY hereafter authorizes for use by FRANCHISEE. FRANCHISEE shall immediately notify the COMPANY of any apparent infringement of or challenge to FRANCHISEE's use of any Mark. The COMPANY shall have sole discretion to take such action as it deems appropriate and the right to exclusively control any litigation or proceeding arising out of any such infringement or challenge. FRANCHISEE agrees to render such assistance in connection therewith as the COMPANY deems necessary or advisable.

B. **LIMITATIONS ON FRANCHISEE'S USE OF MARKS.**

FRANCHISEE agrees to use the Marks as the sole identification of the Franchise, provided that FRANCHISEE shall identify himself as the independent owner, operator, and manager thereof in the manner prescribed by the COMPANY. FRANCHISEE may not use any Mark or any variation thereof (1) as part of any corporate or legal business name, (2) with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to FRANCHISEE hereunder), (3) in connection with the performance or sale of any unauthorized services or products, (4) as part of any domain name, electronic address or search engine, or (5) in any other manner the COMPANY has not expressly authorized in writing. FRANCHISEE agrees to prominently display the Marks and only the Marks (as prescribed in Section 7.B. hereof) on the Service Vehicles, and on contracts, forms, equipment and other materials authorized by the COMPANY. To the extent FRANCHISEE uses any Mark in employment-related materials, FRANCHISEE must include a clear disclaimer that it (and only it) is the employer of employees and that the COMPANY, as the franchisor, is not the employer of FRANCHISEE's HUNTERS-HUMBUG Business employees and does not engage in any employer-type activities for which only franchisees are responsible, such as employee selection, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions. FRANCHISEE further agrees that FRANCHISEE's telephone number shall be used exclusively for the operation of FRANCHISEE's HUNTERS-HUMBUG Business and for no other purpose.

FRANCHISEE agrees to give such notices of trade and service mark registrations as the COMPANY specifies and to obtain such fictitious or assumed name registrations as may be required under applicable law. If, in the COMPANY's sole discretion, it becomes advisable for the COMPANY and/or FRANCHISEE to modify or discontinue use of any Mark and/or use one or more additional or substitute trade or service marks, FRANCHISEE agrees to comply with the COMPANY's directions to modify or otherwise discontinue the use of such Mark within a reasonable time after notice thereof. The COMPANY has no obligation to reimburse FRANCHISEE's (1) direct expenses in modifying or discontinuing the use of a Mark and substituting therefor a different trademark or service mark, (2) loss of goodwill associated with any modified or discontinued Mark, or (3) expenditures to promote a modified or substitute trademark or service mark.

4. **CONFIDENTIAL INFORMATION/EXCLUSIVE RELATIONSHIP.**

A. **CONFIDENTIAL INFORMATION.**

The COMPANY possesses, and will continue to develop and acquire, certain confidential information relating to the methods, techniques, formats, specifications, procedures, information, systems, sales and marketing techniques and knowledge of and experience in the development, operation and franchising of HUNTERS-HUMBUG Businesses (the "Confidential Information"). The COMPANY will disclose the Confidential Information to FRANCHISEE in the training program, the Operating Manual and in guidance furnished to FRANCHISEE. FRANCHISEE acknowledges that the Confidential Information is proprietary and involves trade secrets of the COMPANY and that he will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of a HUNTERS-HUMBUG Business during the term of this Agreement. The COMPANY will disclose the Confidential Information to FRANCHISEE only on the condition that FRANCHISEE and its owners agree, and they hereby do agree, that FRANCHISEE and its owners:

- (a) will not use any Confidential Information in any other business or capacity;
- (b) will keep the Confidential Information absolutely confidential during and after this Agreement's term;
- (c) will not make unauthorized copies of any Confidential Information disclosed via electronic medium or in written or other tangible form; and
- (d) will adopt and implement all reasonable procedures that the COMPANY periodically prescribes to prevent unauthorized use or disclosure of Confidential Information, including, without limitation, (i) restricting its disclosure to personnel of the HUNTERS-HUMBUG Business and others needing to know such Confidential Information to operate the HUNTERS-HUMBUG Business, (ii) requiring all employees having access to Confidential Information to sign confidentiality and non-competition agreements in a form acceptable to the COMPANY, and (iii) not using any Confidential Information directly or indirectly to create, train, test, or improve any machine learning, large language, or artificial intelligence models—or otherwise in connection with any

artificial intelligence platforms—including for research purposes, open source, or other non-commercial use or for any other purpose the COMPANY does not expressly authorize. The COMPANY has the right to review and approve the form of agreement that FRANCHISEE uses and to be a third party beneficiary of that agreement with independent enforcement rights. The COMPANY's right to review and approve the form of agreement is solely to ensure that FRANCHISEE adequately protects Confidential Information. Under no circumstances will the COMPANY control the forms or terms of employment agreements FRANCHISEE uses with its HUNTERS-HUMBUG Business employees or otherwise be responsible for FRANCHISEE's labor relations or employment practices.

FRANCHISEE agrees that the list of the names, addresses and other information regarding FRANCHISEE's current clients, former clients, and those who have inquired about the service (the "Customer List") shall be included in the Confidential Information, shall be the property of the COMPANY and shall constitute a trade secret of the COMPANY. FRANCHISEE agrees that FRANCHISEE may not disclose the Customer List, or any portion thereof, to any person other than the COMPANY, either during the term of this Agreement or thereafter.

"Confidential Information" does not include information, knowledge or know-how which FRANCHISEE knew from previous business experience before the COMPANY provided it to FRANCHISEE (directly or indirectly) or before FRANCHISEE began training or operating his HUNTERS-HUMBUG Business. If the COMPANY includes any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that the exclusion in this paragraph is fulfilled.

All ideas, concepts, techniques or materials relating to a HUNTERS-HUMBUG Business, whether or not protectable intellectual property and whether created by or for FRANCHISEE or FRANCHISEE's employees, must be promptly disclosed to the COMPANY and will be deemed to be the COMPANY's sole and exclusive property, part of the franchise system, and works made-for-hire for the COMPANY. To the extent any item does not qualify as a "work made-for-hire" for the COMPANY, by this paragraph FRANCHISEE assigns ownership of that item, and all related rights to that item, to the COMPANY and agrees to sign whatever assignment or other documents the COMPANY requests to evidence the COMPANY's ownership or to help the COMPANY obtain intellectual property rights in the item.

B. EXCLUSIVE RELATIONSHIP.

FRANCHISEE acknowledges and agrees that the COMPANY would be unable to protect the Confidential Information against unauthorized use or disclosure if franchisees of HUNTERS-HUMBUG Businesses were permitted to hold interests in any Competitive Business. FRANCHISEE therefore agrees that during the term of this Agreement, neither FRANCHISEE, its owner(s) nor any member of his or their immediate families shall perform services or have any direct or indirect interest as a disclosed or beneficial owner, investor, partner, director, officer, employee, manager, consultant, representative or agent, or in any other capacity in any Competitive Business located or operating within (a) FRANCHISEE's Territory, (b) fifty (50) miles of the boundary of FRANCHISEE's Territory, (c) the territory of any other HUNTERS-

HUMBUG Business, or (d) fifty (50) miles of the boundary of the territory of any other HUNTERS-HUMBUG Business.

5. **RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.**

FRANCHISEE shall hire all employees of his HUNTERS-HUMBUG Business, and will be exclusively responsible for all terms relating to their employment, including employee selection, training, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions.

FRANCHISEE shall not employ any of the Marks in signing any contract or applying for any license or permit or in a manner that may result in the COMPANY's liability for any of FRANCHISEE's indebtedness or obligations, nor may FRANCHISEE use the Marks in any way not expressly authorized by the COMPANY, including, but not limited to, on a website. Except as expressly authorized by this Agreement, FRANCHISEE shall make no express or implied agreements, warranties, guarantees or representations, or incur any debt, in the name of or on behalf of the COMPANY and the COMPANY shall not be obligated by or be liable under any agreements or representations made by FRANCHISEE that are not expressly authorized hereunder. In addition to any sales, use, excise, privilege or other transaction taxes that the COMPANY is required or permitted by law to collect from FRANCHISEE for the sale, lease or other provision of goods or services under this Agreement, FRANCHISEE shall pay to the COMPANY an amount equal to all federal, state, local or foreign (i) sales, use, excise, privilege, occupation or any other transactional taxes, or (ii) any other taxes or similar exactions no matter how designated (excluding only taxes imposed on the COMPANY for the privilege of conducting business and calculated with respect to the COMPANY's net income, capital, net worth, gross receipts, or some other basis or combination thereof, but not excluding any gross receipts taxes imposed on the COMPANY for FRANCHISEE payments intended to reimburse the COMPANY for expenditures incurred for the benefit and on behalf of FRANCHISEE), that are imposed on the COMPANY or required to be withheld by FRANCHISEE in connection with the receipt or accrual of service fees, royalties or any other amounts payable by FRANCHISEE to the COMPANY under this Agreement. Any additional required payment pursuant to the preceding sentence shall be made in an amount necessary to provide the COMPANY with after tax receipts (taking into account any additional payments required hereunder), equal to the same amounts the COMPANY would have received under the provisions of this Agreement if such additional tax liability or withholding had not been imposed or required.

FRANCHISEE agrees to indemnify and hold the COMPANY, its affiliates, shareholders, directors, officers, employees, agents, successors and assignees harmless from and against any liability for any claims arising out of the operation of his HUNTERS-HUMBUG Business, including any allegation that the COMPANY or its affiliates, shareholders, directors, officers, employees, agents, successors, and assignees is a joint employer or otherwise responsible for FRANCHISEE's acts or omissions related to FRANCHISEE's HUNTERS-HUMBUG Business employees. For purposes of this indemnification, claims shall mean and include all obligations, actual and consequential damages, taxes and costs reasonably incurred in the defense of any claim, including, without limitation, reasonable accountants', attorneys' and expert witness fees, costs of

investigation and proof of facts, court costs, other litigation expenses and travel and living expenses. The COMPANY shall have the right to defend any such claim in which it is named as a defendant. This indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

6. **FEES.**

A. **INITIAL FRANCHISE FEE.**

FRANCHISEE agrees to pay to the COMPANY an initial franchise fee of Eighty Thousand Five Hundred Dollars (\$80,500) (the “Initial Franchise Fee”) comprised of the following components:

(1) An initial license fee of Fifty Thousand Dollars (\$50,000) for the right to use the Marks during the term of this Agreement and any successor franchise granted hereunder;

(2) An initial training and support fee of Seven Thousand Five Hundred Dollars (\$7,500) for onboarding, training, and franchise launch costs;

(3) A Grand Opening Marketing Package of Twenty Thousand Dollars (\$20,000) (the “Grand Opening Marketing Fee”) that the Company will control, manage, and use during the first year of operation of FRANCHISEE’s HUNTERS-HUMBUG Business to market, promote, and advertise the HUNTERS-HUMBUG Business in the Territory; and

(4) An initial equipment package fee of Three Thousand Dollars (\$3,000).

These fees shall be fully earned by the COMPANY when paid and are nonrefundable.

B. **ROYALTY AND SERVICE FEE.**

FRANCHISEE agrees to pay to the COMPANY by Thursday of each week during the term hereof a weekly royalty and service fee in the amount of ten percent (10%) of the Net Revenues of FRANCHISEE’s HUNTERS-HUMBUG Business for the immediately preceding week (Monday through Sunday).

C. **TECHNOLOGY FEE.**

FRANCHISEE agrees to pay the COMPANY a Technology Fee to fund the technology expenditures the COMPANY deems best for HUNTERS-HUMBUG Businesses. The Technology Fee currently is one hundred fifty dollars (\$150) per month until the cumulative Net Revenues of FRANCHISEE’s HUNTERS-HUMBUG Business reach One Million Dollars (\$1,000,000), at which time the Technology Fee is currently scheduled to increase to Two Hundred Fifty Dollars (\$250) per month (provided, however, that the COMPANY reserves the right, in its sole judgment, to increase the monthly Technology Fee from time to time during this Agreement’s term). The

first Technology Fee payment is due and payable to the COMPANY in the calendar month in which FRANCHISEE's HUNTERS-HUMBUG Business commences operations. Each subsequent Technology Fee payment is due and payable no later than the tenth day of each subsequent calendar month. The COMPANY has the right to allocate and spend Technology Fees in its sole judgment, including for salaries, wages, and benefits, direct technology program costs, and overhead expenses for technology-related activities. The Technology Fee is in addition to any other costs FRANCHISEE incurs to purchase or license the Software Program or other computer hardware or additional software described in Section 7.I below. The COMPANY has no obligation to account to FRANCHISEE or other franchisees for its use of Technology Fees or to ensure that FRANCHISEE or FRANCHISEE's HUNTERS-HUMBUG Business benefits directly or pro rata based on its Technology Fee payments.

D. INTEREST ON LATE PAYMENTS.

All royalty and service fees, technology fees, advertising contributions, lease payments, amounts due for purchases by FRANCHISEE from the COMPANY, and other amounts which FRANCHISEE owes to the COMPANY shall bear interest after due date at the highest applicable legal rate for open account business credit in the state of FRANCHISEE's domicile, not to exceed one and one-half percent (1.5%) per month. FRANCHISEE acknowledges that this Section 6.D. shall not constitute the COMPANY's agreement to accept such payments after same are due or a commitment by the COMPANY to extend credit to, or otherwise finance FRANCHISEE's HUNTERS-HUMBUG Business. Further, FRANCHISEE acknowledges that his failure to pay all amounts when due shall constitute grounds for termination of this Agreement.

E. APPLICATION OF PAYMENTS.

Notwithstanding any designation by FRANCHISEE, the COMPANY shall have sole discretion to apply any payments by FRANCHISEE to any of his past due indebtedness for royalty and service fees, technology fees, advertising contributions, purchases from the COMPANY or its affiliates, interest or any other indebtedness.

F. METHOD OF PAYMENT - ELECTRONIC FUNDS TRANSFER.

At any time during the term of this Agreement on at least thirty (30) days' prior written notice from the COMPANY to FRANCHISEE, the COMPANY may request that FRANCHISEE agree to and shall timely remit royalty and service fees, technology fees, Centrally Managed Paid Media Investment contributions, NMF Fees, and any other amounts due to the COMPANY hereunder (including, without limitation, any outstanding portion of the Initial Franchise Fee) via electronic funds transfer or other means to a bank or financial institution designated by the COMPANY, and FRANCHISEE hereby grants the COMPANY authorization for direct (automatic) debiting of FRANCHISEE's bank or financial institution general operating account. In such event, FRANCHISEE agrees to supply any and all information necessary to provide for automatic electronic funds transfer and payment of such amounts due to the COMPANY and to comply with procedures specified by the COMPANY in the Operating Manual and in writing from time to time, and/or perform such acts and deliver and execute such documents, agreements and authorizations as may be necessary to assist in or accomplish payment by such method.

7. **FRANCHISE IMAGE AND OPERATING PROCEDURES.**

A. **EQUIPMENT.**

FRANCHISEE agrees to use the mist blower and all other equipment meeting the COMPANY's specifications and standards as may be approved by the COMPANY from time to time. The COMPANY may modify and/or substitute any of the equipment FRANCHISEE is required to use in his HUNTERS-HUMBUG Business, including any of the delivery devices used to apply outdoor pest control products. FRANCHISEE may purchase or lease his original and replacement equipment from any source approved by the COMPANY. If FRANCHISEE proposes to purchase or lease any equipment (other than computer hardware and software which is subject to the terms of Section 7.I. below) which is not then approved by the COMPANY, FRANCHISEE shall first notify the COMPANY and, upon request, furnish to the COMPANY specifications, photographs, drawings and/or other information sufficient to afford the COMPANY a reasonable opportunity to determine whether such equipment complies with its specifications and standards.

B. **CONDITION AND APPEARANCE OF SERVICE VEHICLES AND EQUIPMENT.**

FRANCHISEE agrees to purchase or lease one or more Service Vehicles suitable for the purpose of transporting various pest control supplies, holiday lighting and décor materials, application and installation equipment, and related materials needed to operate a HUNTERS-HUMBUG Business and which otherwise meet the COMPANY's specifications. FRANCHISEE agrees: (1) to take delivery of the Service Vehicle immediately following the completion of training school; (2) to maintain the condition and appearance of his Service Vehicles and equipment consistent with the image of the HUNTERS-HUMBUG Business as a professionally operated outdoor pest control care and maintenance services business; (3) to place or display on the Service Vehicles and equipment only such signs, emblems, lettering and logos as are approved by the COMPANY, and no others; and (4) not to sell or otherwise transfer any of the Service Vehicles (other than to the COMPANY) without the prior written approval of the COMPANY and without first removing all of the Marks from the Service Vehicles.

C. **AUTHORIZED PRODUCTS AND SERVICES.**

The reputation and goodwill of the COMPANY is based upon, and can be maintained and enhanced only by, the furnishing of high quality outdoor pest control products and services, holiday lighting and décor design, installation, and maintenance services, and other related products and services. FRANCHISEE agrees, therefore, that he will only offer such outdoor pest control products and services, holiday lighting and décor design, installation, and maintenance services and products, and other products and services that the COMPANY shall authorize for the HUNTERS-HUMBUG Business, and that he will offer all of the products and services that the COMPANY authorizes for the Territory. FRANCHISEE further agrees that he will not sell his customer list(s) or customer contracts, or otherwise use his customer list(s) for any purpose other than in connection with the operation of his HUNTERS-HUMBUG Business. FRANCHISEE agrees that he will not, without the prior written approval by the COMPANY, offer or sell any type of service or offer, sell or use any product that is not authorized by the COMPANY for the

HUNTERS-HUMBUG Business. FRANCHISEE further agrees that any equipment used in HUNTERS-HUMBUG Businesses shall not be used for any purpose other than the operation of his HUNTERS-HUMBUG Business in compliance with this Agreement.

D. APPROVED PRODUCTS AND SUPPLIES.

FRANCHISEE agrees that all products and supplies used in his HUNTERS-HUMBUG Business shall comply with the COMPANY's specifications and quality standards. The COMPANY shall provide FRANCHISEE with a list of approved products and supplies and shall from time to time issue revisions thereto. If FRANCHISEE wishes to use any type or brand of product or supply item or wishes to purchase products or supplies from a supplier that is not currently approved by the COMPANY, FRANCHISEE shall notify the COMPANY of his desire to do so and submit to the COMPANY specifications, photographs, samples and/or other information requested by the COMPANY. The COMPANY shall, within a reasonable time, determine whether such products, supplies or such supplier meets its specifications and standards and notify FRANCHISEE whether he is authorized to use such product or supply item or purchase from such supplier. Notwithstanding the foregoing, the COMPANY may limit the number of approved suppliers with whom FRANCHISEE may deal, designate sources that FRANCHISEE must use, and/or refuse any of FRANCHISEE's requests for any reason, including that the COMPANY has already designated an exclusive source (which might be the COMPANY or its affiliate) for a particular item or service.

The COMPANY and its affiliates have the right to derive revenue—in the form of promotional allowances, volume discounts, commissions, other discounts, performance payments, signing bonuses, rebates, marketing and advertising allowances, free products, and other economic benefits and payments—from suppliers that it designates, approves, or recommends for some or all HUNTERS-HUMBUG Businesses on account of those suppliers' prospective or actual dealings with FRANCHISEE and other HUNTERS-HUMBUG Businesses. That revenue may or may not be related to services the COMPANY and its affiliates perform. All amounts received from suppliers, whether or not based on FRANCHISEE's or other franchisees' purchases from those suppliers, will be the COMPANY's and its affiliates' exclusive property, which the COMPANY and its affiliates have the right to retain and use without restriction for any purposes they deem appropriate. Any products or services that the COMPANY or its affiliates sell FRANCHISEE directly may be sold to FRANCHISEE at prices exceeding their costs.

E. SPECIFICATIONS, STANDARDS AND PROCEDURES.

FRANCHISEE agrees to cooperate with the COMPANY by maintaining high standards in the operation of his HUNTERS-HUMBUG Business. FRANCHISEE also agrees to comply with all mandatory specifications, standards and operating procedures relating to the operation of a HUNTERS-HUMBUG Business. FRANCHISEE acknowledges and agrees that these mandatory specifications, standards and operating procedures are integral to maintaining the quality of the COMPANY's brand, products, and services. Mandatory specifications, standards and operating procedures prescribed from time to time by the COMPANY in the Operating Manual for the HUNTERS-HUMBUG Business, or otherwise communicated to FRANCHISEE in writing, shall

constitute provisions of this Agreement as if fully set forth herein. All references herein to this Agreement shall include all such mandatory specifications, standards and operating procedures.

F. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES.

FRANCHISEE shall secure and maintain in force in its name all required licenses, permits and certificates relating to the operation of his HUNTERS-HUMBUG Business. FRANCHISEE shall operate his Franchise in full compliance with all applicable laws, ordinances and regulations, including, without limitation, all government regulations relating to environmental protection, labor, employment, occupational hazards and health, worker's compensation insurance, unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales taxes. FRANCHISEE shall, in all dealings with his customers, suppliers, the COMPANY and the public, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. FRANCHISEE agrees to refrain from any business or advertising practice which may be injurious to the business of the COMPANY and the goodwill associated with the Marks and other HUNTERS-HUMBUG Businesses. However, nothing in this Section 7.F. or elsewhere in this Agreement restricts or is intended to restrict FRANCHISEE's (or its owners') communications with any state or federal law regulator or enforcement authority about potential violations of law. FRANCHISEE agrees to comply with the COMPANY's standards, procedures, and requirements for responding to customer complaints, including reimbursing the COMPANY promptly if it resolves a customer complaint because FRANCHISEE fails to do so as or when required.

G. INSURANCE.

FRANCHISEE shall at all times during the term of the Franchise maintain in force at his sole expense (1) comprehensive general liability insurance (including products, completed operations and motor vehicle liability) on an occurrence basis against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the operation of FRANCHISEE's HUNTERS-HUMBUG Business and (2) the worker's compensation insurance prescribed by the COMPANY or state law, whichever is greater. Coverage for application of outdoor pest control products must also be included under the general liability insurance. All insurance coverage shall be maintained under one or more policies of insurance containing minimum liability protection in such amounts as are specified by the COMPANY from time to time and issued by insurance carriers acceptable to the COMPANY. All liability insurance policies required hereunder shall name the COMPANY (its officers, directors, employees and designated affiliates) as additional insured grantor and shall provide that the COMPANY receives thirty (30) days' prior written notice of termination, expiration or cancellation of any such policy. Upon sixty (60) days' prior written notice to FRANCHISEE, the COMPANY may increase the minimum liability protection requirements as of the renewal date of any policy, and require different or additional kinds of insurance at any time, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, product or motor vehicle liability litigation or other relevant changes in circumstances. FRANCHISEE shall furnish annually to the COMPANY a copy of the certificate and other evidence the COMPANY may require of each such insurance policy in the form the COMPANY requires.

H. **FULL TIME EFFORTS.**

FRANCHISEE agrees to use his best efforts to promote his HUNTERS-HUMBUG Business and to devote his full time, energies and attention to the operation of his HUNTERS-HUMBUG Business. FRANCHISEE further agrees that he will not engage in any Competitive Business; provided, however, the COMPANY may permit FRANCHISEE to engage in other non-competitive business activities provided FRANCHISEE obtains the prior written consent of the COMPANY.

I. **COMPUTER AND PHONE SYSTEMS.**

FRANCHISEE acknowledges that FRANCHISEE must purchase a customized computer software program and related technology (the “Software Program”) from the supplier the COMPANY designates at the then-current price and/or fees being charged by the designated supplier. FRANCHISEE also must acquire computer hardware and certain additional software in accordance with the COMPANY’s standards and specifications, including a computer, monitor, printer, and all consumables. Such computer software and hardware are an integral part of the HUNTERS-HUMBUG Business and necessary to protect the quality of the COMPANY’s brand, products, and services. The COMPANY reserves the right to modify the specifications and components of such computer software and hardware from time to time. Some or all software may be website based. FRANCHISEE grants the COMPANY (and the COMPANY’s designees) unlimited, independent access to, and the right to download, all information and data in FRANCHISEE’s computer software and hardware (including all data derived from the Software Program but excluding employee or employment-related information and data) at any time. FRANCHISEE shall not take any action or enter into any agreement that prohibits, prevents or restricts the COMPANY’s ability to access and download all such information and data. FRANCHISEE also must, at FRANCHISEE’s expense, maintain the designated computer software and hardware so that the COMPANY (and each of the COMPANY’s designees) has the ability to access and download all information and data (excluding employee or employment-related information and data) in FRANCHISEE’s computer software and hardware at any time in accordance with this Section. FRANCHISEE further acknowledges and agrees that the COMPANY has the right to require FRANCHISEE to incur reasonable costs to purchase or lease new or modified computer hardware and software for use with the Software Program. References to reasonable costs and fees in this Section shall refer to the COMPANY’s reasonable costs for the selection of appropriate hardware and software.

FRANCHISEE agrees to participate in any toll-free telephone number program the COMPANY specifies, including by signing any agreements and paying any associated charges, whether to the COMPANY or a third party. FRANCHISEE agrees to display the COMPANY’s toll-free telephone number as the primary and dominant business phone number. FRANCHISEE agrees that the toll-free telephone number will be displayed on all marketing materials and all of FRANCHISEE’s Service Vehicles. In addition, FRANCHISEE agrees to obtain from one or more suppliers designated or approved by the Company any artificial intelligence phone sales agent, soft phone, and artificial intelligence-generated booking and predictive dialing services the

COMPANY specifies to assist FRANCHISEE with customer acquisition, sales support, and call management.

J. ELECTRONIC COMMUNICATION AND USE OF INTERNET.

At the COMPANY's option, the COMPANY may post the Operating Manual and other communications on a restricted intranet or other website to which FRANCHISEE will have access. If the COMPANY does so, FRANCHISEE must periodically monitor the site for any updates to the Operating Manual or other standards, specifications and procedures. Any passwords or other digital identifications necessary to access the Operating Manual on such a site will be deemed to be part of the Confidential Information (defined in Section 4.A.). Further, FRANCHISEE agrees that he will establish the channels of communication with the COMPANY and his customers as required by the COMPANY from time to time, including e-mail, internet and other electronic forms of communication, and that he will acquire and maintain any computer or other components necessary for the transmission of such communications.

FRANCHISEE agrees to comply with the COMPANY's requirements, standards and specifications concerning FRANCHISEE's use of a website to promote his HUNTERS-HUMBUG Business, including, but not limited to, the COMPANY's requirement that FRANCHISEE receive the COMPANY's approval of FRANCHISEE's proposed website information prior to implementation of the website and prior to changing an approved website. FRANCHISEE further agrees to comply with the COMPANY's requirements, standards and specifications concerning FRANCHISEE's use of social media in connection with its operation of the HUNTERS-HUMBUG Business, including prohibitions on FRANCHISEE's posting or blogging comments about the HUNTERS-HUMBUG Business or the franchise system other than on an authorized COMPANY website ("social media" includes personal blogs, common social networks like Facebook and Instagram, professional networks like LinkedIn, live-blogging tools like Twitter, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools).

At the COMPANY's option, the COMPANY may establish one or more websites to advertise, market and promote HUNTERS-HUMBUG Businesses, the services they offer and sell, and/or the HUNTERS-HUMBUG Business franchise opportunity. If the COMPANY establishes such a website, the COMPANY may designate a web page within the website for each HUNTERS-HUMBUG Business. The COMPANY may implement and periodically modify standards for any such website and individual web pages. FRANCHISEE will not establish a website for his HUNTERS-HUMBUG Business, other than the web page(s) designated to describe FRANCHISEE's HUNTERS-HUMBUG Business which are located within the COMPANY's website.

K. REPRESENTATIONS AND COVENANT CONCERNING TERRORISM.

FRANCHISEE agrees to comply and/or assist the COMPANY in its compliance efforts, as applicable, with any and all laws, regulations, Executive Orders or otherwise relating to anti-terrorist activities, including, without limitation, the U.S. Patriot Act, Executive Order 13224, and related U.S. Treasury and/or other regulations. In connection with such compliance efforts,

FRANCHISEE agrees not to enter into any prohibited transactions and to properly perform any currency reporting and other activities relating to his HUNTERS-HUMBUG Business as may be required by the COMPANY or by law. FRANCHISEE confirms that he is not listed in the Annex to Executive Order 13224 (the Annex is available at <http://www.treasury.gov/offices/enforcement/ofac/sanctions/terrorism.html>). FRANCHISEE is solely responsible for ascertaining what actions must be taken by FRANCHISEE to comply with all such laws, orders and/or regulations, and specifically acknowledges and agrees that his indemnification responsibilities as provided in Section 5 pertain to his obligations hereunder.

8. **MARKETING AND PROMOTION.**

A. **GRAND OPENING MARKETING PACKAGE FEE.**

On or before the Agreement Date, FRANCHISEE must pay the COMPANY the Grand Opening Marketing Package Fee referenced in Section 6.A.(3) above. The COMPANY will control, manage, and use the Grand Opening Marketing Package Fee during the first year of operation of FRANCHISEE's HUNTERS-HUMBUG Business to market, promote, and advertise the HUNTERS-HUMBUG Business in the Territory. The COMPANY shall identify, in its sole discretion, the items and tactics on which to spend the Grand Opening Marketing Package Fee.

B. **LOCAL MARKETING**

(1) Beginning in the thirteenth (13th) month of operation of FRANCHISEE's HUNTERS-HUMBUG Business (which is defined as the 13th month after FRANCHISEE's Grand Opening Marketing Package launch date, as determined by the COMPANY in its sole discretion), FRANCHISEE agrees to spend no less than Eight Thousand Dollars (\$8,000) during each calendar year of this Agreement's term to market and promote all service lines of its HUNTERS-HUMBUG Business within the Territory (the "Local Marketing Obligation"). This Local Marketing Obligation is in addition to the Centrally Managed Paid Media Investment contributions and the NMF Fee described in Sections 8.C. and 8.D. below. FRANCHISEE shall ensure that all advertising, marketing, and promotional programs and materials that FRANCHISEE develops or implements relating to its HUNTERS-HUMBUG Business are completely clear, factual, and not misleading, comply with all applicable laws and regulations, and conform to the highest ethical standards and the advertising and marketing policies that the COMPANY periodically specifies.

(2) Samples of all local marketing materials not prepared or previously approved by the COMPANY shall be submitted to the COMPANY for approval prior to usage, which approval shall not be unreasonably withheld. If written disapproval is not received by FRANCHISEE within thirty (30) days of the date such materials are delivered to the COMPANY, such materials shall be deemed approved. If FRANCHISEE uses any unapproved promotional materials, the COMPANY reserves the right to assess a fine in the amount of Two Hundred Fifty Dollars (\$250) per item per occurrence.

(3) Within sixty (60) days after the end of each calendar year, FRANCHISEE shall submit to the COMPANY a report detailing FRANCHISEE's Local Marketing Obligation expenditures in the Territory during that year. If FRANCHISEE fails to spend the required amount during any calendar year, FRANCHISEE must pay the unspent amount to the COMPANY within the same sixty (60) days after the year end. The COMPANY then may use such monies for any marketing or promotional expense (whether national, regional, local or otherwise) at any time.

(4) While FRANCHISEE is not obligated to allocate Local Marketing Obligation expenditures evenly among all the service lines of its HUNTERS-HUMBUG Business, it must allocate such expenditures in a manner that meaningfully supports each service line.

C. **CENTRALLY MANAGED PAID MEDIA INVESTMENT.**

(1) Recognizing the value of marketing and promotion to the goodwill and public image of HUNTERS-HUMBUG Businesses, the COMPANY shall maintain and administer for FRANCHISEE a centrally managed paid media investment, which shall be managed by the COMPANY's marketing team and used exclusively to generate customer leads and brand awareness within the Territory through digital advertising channels that are centrally planned and managed for FRANCHISEE (the "Centrally Managed Paid Media Investment").

(2) Beginning in the first (1st) week of operation of FRANCHISEE's HUNTERS-HUMBUG Business (which is defined as the week after FRANCHISEE's Grand Opening Marketing Package launch date, as determined by the COMPANY in its sole discretion), FRANCHISEE shall contribute to the Centrally Managed Paid Media Investment, on an annual basis, the greater of Thirty Thousand Dollars (\$30,000) or five percent (5%) of FRANCHISEE's Net Revenues, subject to an annual cap of Forty-Five Thousand Dollars (\$45,000). The Centrally Managed Paid Media Investment contribution is payable weekly (no less than approximately \$577 per week). If FRANCHISEE operates its HUNTERS-HUMBUG Business in two contiguous territories (under two separate Franchise Agreements), the maximum Centrally Managed Paid Media Investment contributions for those two territories during any calendar year will not exceed Forty-Five Thousand Dollars (\$45,000).

(3) The COMPANY shall direct all programs financed by the Centrally Managed Paid Media Investment contributions, with sole discretion and control over the creative concepts, materials and endorsements used therein and their geographic, market and media placement and allocation. FRANCHISEE agrees that the Centrally Managed Paid Media Investment may be used to pay for preparing and producing advertising, marketing, and promotional content and related materials and administering, directing, and preparing marketing programs. The Centrally Managed Paid Media Investment shall be accounted for separately from the other funds of the COMPANY, and shall not be used to defray any of the COMPANY's general operating expenses, except for such reasonable salaries, administrative costs and overhead as the COMPANY may incur in activities

reasonably related to the administration or direction of the Centrally Managed Paid Media Investment and its marketing and promotional programs. The Centrally Managed Paid Media Investment is not the COMPANY's asset. The Centrally Managed Paid Media Investment is not a trust, and the COMPANY does not owe FRANCHISEE fiduciary obligations because of the COMPANY's maintaining, directing or administering the Centrally Managed Paid Media Investment or for any other reason. A report of monies collected and costs incurred by the Centrally Managed Paid Media Investment on behalf of FRANCHISEE shall be prepared annually by the COMPANY and made available for inspection by FRANCHISEE upon request.

Except as expressly provided in this Subsection, the COMPANY assumes no direct or indirect liability or obligation to FRANCHISEE for collecting amounts due to, maintaining, directing or administering the Centrally Managed Paid Media Investment on behalf of FRANCHISEE.

(4) The COMPANY may at any time defer or reduce the Centrally Managed Paid Media Investment contribution of a HUNTERS-HUMBUG Business.

(5) Because FRANCHISEE's HUNTERS-HUMBUG Business offers several distinct service lines, the COMPANY has the right to plan, deploy, and optimize the Centrally Managed Paid Media Investment across the service lines based on seasonality, performance metrics, strategic priorities, and market opportunity. Although FRANCHISEE pays Centrally Managed Paid Media Investment contributions weekly, the timing and allocation of marketing expenditures with those contributions may not correspond directly to the timing of FRANCHISEE's contributions. The Centrally Managed Paid Media Investment contributions are intended to fund ongoing and future marketing programs, and the COMPANY has the right to concentrate spending during periods when it believes that demand, conversion, or return on investment will be highest for the particular service line.

D. NATIONAL MARKETING FUND.

(1) The COMPANY shall maintain and administer a National Marketing Fund (the "NMF") for regional and national marketing, advertising and promotions programs as the COMPANY in its sole discretion deems appropriate. The COMPANY shall direct and control all such programs, materials, endorsements and media used therein and the placement and allocation thereof.

(2) Beginning in the thirteenth (13th) month of operation of FRANCHISEE's HUNTERS-HUMBUG Business (which is defined as the 13th month after FRANCHISEE's Grand Opening Marketing Package launch date, as determined by the COMPANY in its sole discretion), FRANCHISEE shall start to pay to the COMPANY for deposit into the NMF, on an annual basis, the greater of Five Thousand Dollars (\$5,000) or two percent (2%) of FRANCHISEE's Net Revenues (the "NMF Fee"), subject to an annual cap of Seven Thousand Dollars (\$7,000). The NMF Fee is payable weekly (no less than approximately \$96.15 per week). If FRANCHISEE operates its HUNTERS-

HUMBUG Business in two contiguous territories (under two separate Franchise Agreements), the maximum NMF Fees for those two territories during any calendar year will not exceed Seven Thousand Dollars (\$7,000).

(3) The NMF shall be used and expended for media costs (including print, digital, search engine management and optimization, social media, television and radio, and other communications channels without restriction), commissions, market research costs, creative and production costs, including without limitation, the costs of creating promotions and artwork, printing costs, and other costs relating to advertising and promotional programs undertaken by the COMPANY. The COMPANY reserves the right to place and develop such advertisements and promotions and to market same as agent for and on behalf of FRANCHISEE, either directly or through an advertising or public relations agency retained or formed for such purpose.

(4) The NMF shall be accounted for separately from the other funds of the COMPANY and shall not be used to defray any of the COMPANY's general operating expenses, except for salaries, administrative costs and overhead (calculated on a fully allocated basis), if any, as the COMPANY may incur in activities reasonably related to the administration or direction of the NMF and advertising programs (including, without limitation, conducting market research, preparing marketing materials, collecting and accounting for NMF Fees, paying taxes due on unspent NMF Fees the COMPANY receives, and any other costs or expenses the COMPANY incurs operating or as a consequence of the NMF). An in-house unaudited statement of the operations of the NMF shall be prepared annually and shall be made available to FRANCHISEE upon request, the cost of such statement to be paid by the NMF.

(5) FRANCHISEE acknowledges and agrees that the NMF is intended to maximize general public recognition and patronage of the System for the benefit of all franchisees and that the COMPANY undertakes no obligation to ensure that any particular franchisee (including FRANCHISEE) benefits directly or pro-rata from the placement or conduct of such advertising and promotion. The NMF will not be used principally to develop materials and programs to solicit franchisees. However, media, materials, and programs prepared using NMF Fees may describe the franchise program, reference the availability of franchises and related information, and process franchise leads. The Company has the right, but no obligation, to use collection agents and institute legal proceedings at the NMF's expense to collect unpaid NMF Fees. It also has the right to forgive, waive, settle, and compromise all claims by or against the NMF.

(6) Except as expressly provided for herein, the COMPANY assumes no direct or indirect liability or obligation to FRANCHISEE with respect to the maintenance, direction or administration of the NMF. FRANCHISEE is not a third-party beneficiary and shall have no right to enforce any contributions from other franchisees or the administration of the NMF. Any obligation of the COMPANY with respect to the NMF shall be contractual in nature, and FRANCHISEE shall have no proprietary right in the NMF, and it shall not constitute a trust fund.

(7) FRANCHISEE shall fully participate in all sales and promotional activities (including the introduction of new services, grand opening or other marketing programs directed and approved by the COMPANY) as the COMPANY may require.

(8) The NMF is not intended to be a source of profit for the COMPANY. In the event of surplus funds at the end of any year, such funds will be applied to one or more of the following, in any combination as may be determined in the COMPANY's absolute discretion: (i) carried forward and applied to the next year's operating costs, or (ii) distributed pro rata to HUNTERS-HUMBUG Businesses that contributed to the NMF for that year. The COMPANY also has the right to use new NMF Fees to pay NMF deficits incurred during previous years.

9. **RECORDS AND REPORTING.**

A. **ACCOUNTING AND RECORDS.**

FRANCHISEE agrees, at his expense, to maintain and preserve for three (3) years from the date of their preparation, or such greater period as may be required by the Operating Manual or applicable law, full, complete and accurate books, records and accounts, including, without limitation, copies of all customer contracts and lists, sales, invoices, cash receipts, service records, purchase records, accounts payable, cash disbursement records, inventory records, general ledgers, itemized bank deposit slips and bank statements, copies of sales tax returns, and copies of FRANCHISEE's state and federal income tax returns. These records will not include any records or information relating to FRANCHISEE's HUNTERS-HUMBUG Business employees as FRANCHISEE controls exclusively its labor relations and employment practices. FRANCHISEE further agrees that such records shall be prepared and maintained on forms, and by the accounting professionals, prescribed from time to time by the COMPANY. During the first year of operation, FRANCHISEE's HUNTERS-HUMBUG Business is obligated to use bookkeeping services provided by the COMPANY's designated franchise accounting provider.

B. **REPORTING REQUIREMENTS.**

FRANCHISEE shall furnish the COMPANY on or before Thursday of each week, in the form from time to time prescribed by the COMPANY, a control report signed and verified by FRANCHISEE accurately reflecting the gross and Net Revenues of FRANCHISEE's HUNTERS-HUMBUG Business for the preceding week (Monday through Sunday). FRANCHISEE, at his expense, shall furnish to the COMPANY (and its agents), such forms, reports, records, financial statements and other information as the COMPANY may, from time to time, require, including the financial reports and statements as provided in this Subsection and other reports the COMPANY may request in the future. This information will not include any information relating to FRANCHISEE's HUNTERS-HUMBUG Business employees as FRANCHISEE controls exclusively its labor relations and employment practices. FRANCHISEE shall prepare and furnish to the COMPANY on such forms as are prescribed by the COMPANY from time to time: (1) by the tenth (10th) day of each month, a report of Net Revenues of the Franchise for the preceding calendar month and such other data, information and supporting records as the COMPANY from time to time requires; and (2) within one hundred five (105) days after the end of each fiscal year

of FRANCHISEE's HUNTERS-HUMBUG Business, an annual statement of profit and loss for FRANCHISEE's HUNTERS-HUMBUG Business for the fiscal year, a balance sheet as of the end of the fiscal year and a cash flow projection for the following year. Each such report shall be signed and verified by FRANCHISEE in the manner prescribed by the COMPANY. The COMPANY may, from time to time, revise the timing and content of required reports. At the COMPANY's request, FRANCHISEE shall provide some or all of its records and reports via electronic transmission or other means as specified by the COMPANY

10. **INSPECTIONS AND AUDITS.**

To determine whether FRANCHISEE is complying with this Agreement and/or all applicable specifications and quality standards, the COMPANY shall have the right at any reasonable time and without prior notice to FRANCHISEE to: (1) inspect FRANCHISEE's equipment and the Service Vehicles; (2) inspect FRANCHISEE's office and garage or warehouse; (3) observe FRANCHISEE and all employees in the performance of services; (4) inspect any job performed by FRANCHISEE; and (5) contact and interview customers of FRANCHISEE. The COMPANY shall have the further right at any time during business hours, and with at least three (3) days' prior notice to FRANCHISEE, to inspect and audit, or cause to be inspected and audited, the business records, bookkeeping and accounting records, sales and income tax records and returns and other records of FRANCHISEE's HUNTERS-HUMBUG Business, and the books and records of any corporation or partnership which holds the Franchise (other than those records over which the COMPANY has no authority to control and/or remedy, such as FRANCHISEE's HUNTERS-HUMBUG Business employee records as FRANCHISEE controls exclusively its labor relations and employment practices). FRANCHISEE further acknowledges and agrees that the COMPANY shall have the right to make photocopies of all such books and records. FRANCHISEE shall fully cooperate with representatives of the COMPANY and independent accountants hired by the COMPANY to conduct any such inspection or audit. If FRANCHISEE fails to provide any such books, records and other materials requested at such inspection/audit in the format prescribed by the COMPANY in the Operating Manual or in writing, then FRANCHISEE shall pay the COMPANY Five Hundred Dollars (\$500) for each day any such requested books, records and other materials are not available to the COMPANY plus the COMPANY's reasonable expenses incurred in connection with such delay. In the event any such inspection or audit shall disclose an understatement of the Net Revenues of FRANCHISEE's HUNTERS-HUMBUG Business, FRANCHISEE shall pay to the COMPANY, within fifteen (15) days after receipt of the inspection or audit report, the royalty and service fee, the Centrally Managed Paid Media Investment contributions, and the NMF Fees due on the amount of such understatement, plus interest (at the rate and on the terms provided in Section 6.D. hereof) from the date originally due until the date of payment. Further, in the event such inspection or audit is made necessary by the failure of FRANCHISEE to furnish reports, supporting records or other information, as herein required, or to furnish such reports and information on a timely basis, or if an understatement of Net Revenues for the period of any inspection or audit (which shall not be for less than two (2) months) is determined by any such inspection or audit to be greater than three percent (3%), FRANCHISEE shall reimburse the COMPANY for the cost of such inspection or audit, including, without limitation, the charges of any independent accountants and the travel expenses, room and board and compensation of employees of the COMPANY. The foregoing

remedies shall be in addition to all other remedies and rights of the COMPANY hereunder or under applicable law.

11. **TRANSFER.**

A. **BY THE COMPANY.**

This Agreement and the Franchise are fully transferable by the COMPANY, without notice to or consent from FRANCHISEE, and shall inure to the benefit of any transferee or other legal successor to the COMPANY's interest herein.

B. **FRANCHISEE MAY NOT TRANSFER WITHOUT COMPANY APPROVAL.**

FRANCHISEE understands and acknowledges that the rights and duties created by this Agreement are personal to FRANCHISEE (or, if FRANCHISEE is an entity, its owner(s)) and that the COMPANY has granted the Franchise in reliance upon the COMPANY's perceptions of the individual or collective character, business skill, aptitude and financial capacity of FRANCHISEE (or, if FRANCHISEE is an entity, its owner(s)). Therefore, neither this Agreement, the Business Assets (or any interest therein), the Franchise (or any interest therein), nor any part or all of the ownership of FRANCHISEE may be transferred without the COMPANY's prior written approval, and any such transfer shall constitute a breach of this Agreement and convey no rights to or interests in this Agreement, FRANCHISEE's HUNTERS-HUMBUG Business, the Business Assets or FRANCHISEE. If FRANCHISEE desires to engage a consultant or broker to identify a potential transferee, then FRANCHISEE must provide the COMPANY with no less than ninety (90) days' prior notice of such engagement.

C. **CONDITIONS FOR APPROVAL OF TRANSFER.**

If FRANCHISEE and its owner(s) are in full compliance with this Agreement, the COMPANY shall not unreasonably withhold its approval of a transfer that meets all of the applicable requirements of this Section 11.C. The proposed transferee(s) or its owner(s) must be an individual of good moral character, have sufficient business experience, aptitude and financial resources to operate a HUNTERS-HUMBUG Business, be able to personally devote full time and best efforts to a HUNTERS-HUMBUG Business and to otherwise meet the COMPANY's then applicable standards for franchisees. If the transfer is of the Franchise, or of a controlling interest in FRANCHISEE, or if it is one of a series of transfers which in the aggregate constitutes the transfer of a controlling interest in FRANCHISEE, all of the following conditions must be met prior to, or concurrently with, the effective date of the transfer: (1) all obligations of FRANCHISEE incurred in connection with this Agreement and the conduct of his HUNTERS-HUMBUG Business, including, but not limited to, obligations to customers of FRANCHISEE, must be assumed by the transferee(s); (2) FRANCHISEE must pay all amounts owed to the COMPANY which are then due, and shall have submitted to the COMPANY all required reports and statements; (3) the transferee(s) must satisfactorily complete the training program required of new Franchisees; (4) the transferee(s) must execute and agree to be bound by the COMPANY's then current form of standard franchise agreement and such ancillary agreements as are then

customarily used by the COMPANY in the transfer of HUNTERS-HUMBUG Businesses, which may provide for different rights and obligations than are provided by this Agreement, but which franchise agreement does not provide for payment of an Initial Franchise Fee; (5) the transferee(s) must assume all obligations of FRANCHISEE under FRANCHISEE's agreement with the designated supplier for the Software Program, unless otherwise provided for under a separate agreement with the designated supplier; (6) FRANCHISEE must pay a transfer fee to the COMPANY in an amount equal to fifty percent (50%) of the then current initial license fee component of the initial franchise fee payable by a Franchisee who is new to the system for HUNTERS-HUMBUG Businesses; (7) if the COMPANY engages a third-party broker or consultant on FRANCHISEE's behalf to assist FRANCHISEE with the sale of the HUNTERS-HUMBUG Business, then FRANCHISEE must pay the COMPANY its then-current non-refundable broker fee, and the broker fee is payable even if the transferee is not a potential transferee identified by the consultant or broker; (8) FRANCHISEE and its owner(s) must execute a general release, in form satisfactory to the COMPANY, of any and all claims against the COMPANY, its affiliates, officers, directors, employees and agents; (9) the COMPANY must approve the material terms and conditions of such transfer, including, without limitation, that the price and terms of payment are not so burdensome as to adversely affect the future operations of the Franchise by such transferee(s) in compliance with the COMPANY's then standard franchise agreement and ancillary agreements; (10) the COMPANY has the right to inspect the equipment and the Service Vehicles to be transferred to transferee(s) and to require cleaning, repair or reconditioning thereof by FRANCHISEE prior to transfer; (11) FRANCHISEE and its owner(s) must execute a noncompetition covenant in favor of the COMPANY and the transferee(s), agreeing that for a period of not less than eighteen (18) months, commencing on the effective date of the transfer, he, they and the members of his and their immediate families will not have any direct or indirect interest as a disclosed or beneficial owner, investor, lender, partner, director, officer, manager, consultant, employee, representative or agent, or in any other capacity, in any Competitive Business located within (i) FRANCHISEE's Territory, (ii) fifty (50) miles of the boundary of FRANCHISEE's Territory, (iii) the territory of any other HUNTERS-HUMBUG Business, or (iv) fifty (50) miles of the boundary of the territory of any other HUNTERS-HUMBUG Business; (12) FRANCHISEE and its owners must provide transition services to the transferee for at least sixty (60) days after the transfer is complete; and (13) FRANCHISEE and its owners shall have entered into an agreement with the COMPANY agreeing to subordinate to the transferee's obligations to the COMPANY (including royalty and service fees, technology fees, and advertising contributions), any obligations of such transferee to make installment payments of the purchase price to FRANCHISEE. Subsection (6) shall not apply to transfers by gift, bequest or inheritance.

D. DEATH OR INCAPACITY OF FRANCHISEE.

Upon the death or permanent incapacity of FRANCHISEE, the executor, administrator, conservator or other personal representative of such person must transfer his interest to a third party approved by the COMPANY within six (6) months from the date of death or permanent disability. Such transfer shall be subject to all of the terms and conditions for transfers contained in this Section 11. Failure to transfer in accordance with this Section upon such death or disability shall constitute a breach of this Agreement.

E. **THE COMPANY'S RIGHT OF FIRST REFUSAL.**

If FRANCHISEE or its owner(s) shall at any time determine to sell an interest in FRANCHISEE's HUNTERS-HUMBUG Business, an ownership interest in FRANCHISEE, or the Business Assets, FRANCHISEE or its owner(s) shall obtain a bona fide, executed written offer from a responsible and fully disclosed purchaser and shall submit an exact copy of such offer to the COMPANY. The COMPANY or its designee shall have the right, exercisable by written notice delivered to FRANCHISEE or its owner(s) within thirty (30) days after the COMPANY receives an exact copy of such offer and all other information the COMPANY requests, to purchase such interest in FRANCHISEE's HUNTERS-HUMBUG Business, such ownership interest in FRANCHISEE or the Business Assets, for the price and on the terms and conditions contained in such offer, provided that: (1) the COMPANY may substitute cash for any form of payment proposed in such offer; (2) the COMPANY's credit will be deemed equal to the credit of any proposed buyer; (3) the COMPANY shall have not less than thirty (30) days to prepare for closing after notifying FRANCHISEE of the COMPANY's election to purchase; and (4) the COMPANY must receive, and FRANCHISEE agrees to make, all customary representations and warranties given by the seller of the assets of a business, including, without limitation, representations and warranties regarding ownership and condition of, and title to, assets and validity of contracts and the liabilities, contingent or otherwise, relating to the assets being purchased. The COMPANY may assign or delegate its rights under this Section 11.E. If the COMPANY exercises its right of first refusal, FRANCHISEE agrees that, for eighteen (18) months beginning on the closing date, FRANCHISEE, FRANCHISEE's transferring owner(s), and members of his or their immediate families will be bound by the non-competition covenant contained in Section 14.D below. If the COMPANY does not exercise its right of first refusal, FRANCHISEE or its owner(s) may complete the sale to such purchaser pursuant to and on the terms of such offer, subject to the COMPANY's approval of the purchaser as provided in Section 11.C., provided that if the sale to such purchaser is not completed within one hundred twenty (120) days after delivery of such offer to the COMPANY, or there is a material change in the terms of the sale, the COMPANY shall again have the right of first refusal herein provided.

F. **OWNERSHIP STRUCTURE.**

If FRANCHISEE is an entity, FRANCHISEE represents and warrants that its ownership structure is as set forth on **Exhibit A** hereto and covenants that it will not vary from that ownership structure without the prior written approval of the COMPANY.

12. **EXPIRATION OF THIS AGREEMENT.**

A. **FRANCHISEE'S RIGHT TO ACQUIRE A SUCCESSOR FRANCHISE.**

Subject to the provision of this Section 12, upon expiration of the initial term of this Agreement, if: (1) FRANCHISEE has substantially complied with all of the provisions of this Agreement; and (2) FRANCHISEE, if necessary, refurbishes and re-equips each of his Service Vehicles and commissions the COMPANY (or another party approved by the COMPANY), at his expense and on his behalf, to repair or replace the equipment utilized in the operation of the Franchise and is in compliance with specifications and standards then applicable for new

HUNTERS-HUMBUG Business franchises; then FRANCHISEE shall have the right to acquire a successor franchise for the HUNTERS-HUMBUG Business for an additional term of ten (10) years.

B. GRANT OF A SUCCESSOR FRANCHISE.

FRANCHISEE must give the COMPANY written notice of his election to acquire a successor franchise at least six (6) months, but not more than twelve (12) months, before the end of the initial term of this Agreement. Within thirty (30) days after delivery of FRANCHISEE's notice, the COMPANY shall notify FRANCHISEE in writing whether or not the COMPANY shall grant a successor franchise to FRANCHISEE. If, at any time during the term of this Agreement, FRANCHISEE fails to fully comply with this Agreement or any other agreement between FRANCHISEE and the COMPANY, the COMPANY may refuse to grant a successor franchise by delivering a notice of the COMPANY's refusal to grant a successor franchise, stating the reasons for such refusal. If the COMPANY's notice indicates that the COMPANY will permit FRANCHISEE to obtain a successor franchise, such right will be contingent upon FRANCHISEE's continued full compliance with this Agreement and any other agreement between the COMPANY and FRANCHISEE.

C. AGREEMENTS/RELEASES.

If the COMPANY grants a successor franchise, the COMPANY and FRANCHISEE and the owner(s) of FRANCHISEE shall execute the COMPANY's then current form of franchise agreement and such ancillary agreements as are used in offering franchises to operate HUNTERS-HUMBUG Businesses (with appropriate modifications to reflect the fact that the agreements relate to the grant of a successor franchise), and the COMPANY, FRANCHISEE and its owner(s) shall execute general releases, in form satisfactory to the COMPANY, of any and all claims against each other and their respective affiliates, officers, directors, employees and agents. Failure by FRANCHISEE and its owner(s) to sign such agreement(s) and releases within ninety (90) days after delivery thereof to FRANCHISEE shall be deemed an election by FRANCHISEE not to acquire a successor franchise.

13. TERMINATION OF FRANCHISE BY THE COMPANY.

This Agreement shall terminate:

(1) effective upon delivery of notice of termination to FRANCHISEE if FRANCHISEE or its owner(s):

(a) abandons or fails to actively operate the Franchise or fails to commence operation of his HUNTERS-HUMBUG Business as required in Section 1.C. of this Agreement;

(b) surrenders or transfers control of the HUNTERS-HUMBUG Business without the COMPANY's prior written consent;

(c) has made any material misrepresentation or omission in his franchise application or after being granted the Franchise;

(d) fails to satisfactorily complete the training requirements described in Section 2.A. of this Agreement;

(e) is convicted of or pleads no contest to a felony, or any other crime or offense that is likely to adversely affect the reputation of FRANCHISEE, other HUNTERS-HUMBUG Businesses or the COMPANY;

(f) abandons, surrenders or makes an unauthorized transfer of the Franchise, the Business Assets or an ownership interest in FRANCHISEE;

(g) makes any unauthorized use, duplication or disclosure of any Confidential Information or the Operating Manual;

(h) fails on three (3) or more separate occasions during any one (1)-year period to submit when due reports or other data, information or supporting records, to pay when due the royalty and service fees, technology fees, lease payments, Centrally Managed Paid Media Investment contributions, NMF Fees, amounts due for products and services purchased from the COMPANY or other suppliers, or other payments due to the COMPANY, or otherwise fails to comply with this Agreement, whether or not such failures to comply are corrected after notice thereof is delivered to FRANCHISEE;

(i) submits to the COMPANY on two (2) or more separate occasions at any time during the initial term of this Agreement information, reports or supporting records which understate by more than three percent (3%) the royalty and service fees due for any period of, or periods aggregating, two (2) or more months, and FRANCHISEE is unable to demonstrate that such understatements resulted from inadvertent error;

(j) materially misuses or makes an unauthorized use of any Mark or commits any act which can reasonably be expected to materially impair the goodwill associated with any Mark, including, but not limited to, use of any Mark as part of a website domain name or electronic address in an unauthorized manner on FRANCHISEE's website;

(k) violates any environmental, labor, employment, health, safety, sanitation or other regulatory law, ordinance or regulation or conducts his HUNTERS-HUMBUG Business in a manner that presents a health or safety hazard to his customers or the public;

(l) fails to maintain the insurance the COMPANY requires from time to time;

(m) interferes with the COMPANY's right to inspect the HUNTERS-HUMBUG Business or observe its operation, as provided in Section 10 of this Agreement;

(n) engages in any dishonest or unethical conduct which, in the COMPANY's opinion, adversely affects his HUNTERS-HUMBUG Business' reputation, the reputation of other HUNTERS-HUMBUG Businesses or the goodwill associated with the Marks;

(o) permits any material licenses or permits necessary for his HUNTERS-HUMBUG Business' proper operation to be suspended, revoked or not renewed;

(p) fails to pay when due any federal, state or local income, service, sales or other taxes due on his HUNTERS-HUMBUG Business' operation, unless FRANCHISEE is in good faith contesting FRANCHISEE's liability for these taxes;

(q) makes an assignment for the benefit of creditors or admits in writing its insolvency or inability to pay its debts generally as they become due; consents to the appointment of a receiver, trustee or liquidator of all or the substantial part of FRANCHISEE's property; the FRANCHISEE's HUNTERS-HUMBUG Business is attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant or levy is vacated within thirty (30) days; or any order appointing a receiver, trustee or liquidator of FRANCHISEE or his HUNTERS-HUMBUG Business is not vacated within thirty (30) days following the order's entry;

(r) violates the restrictions of Section 4.B (Exclusive Relationship) or any other non-compete agreement; or

(s) at any time during the term of this Agreement defaults or fails to cure (if cure is permitted) any default under the agreement between FRANCHISEE and the designated supplier for the Software Program, or the agreement between FRANCHISEE and the designated supplier for the Software Program expires or is terminated.

(2) without further action by the COMPANY or notice to FRANCHISEE if FRANCHISEE or its owner(s):

(a) fails to accurately report the Net Revenues of his HUNTERS-HUMBUG Business or fails to make payments of any amounts due the COMPANY for royalty and service fees, technology fees, Centrally Managed Paid Media Investment contributions, NMF Fees, or any other amounts due to the COMPANY or its affiliates hereunder, and does not correct such failure within ten (10) days after written notice of such failure is delivered to FRANCHISEE; or

(b) fails to comply with any other provision of this Agreement or any mandatory specification, standard or operating procedures prescribed by the COMPANY and does not: (1) correct such failure within thirty (30) days after written notice of such failure to comply is delivered to FRANCHISEE; or (2) provide proof acceptable to the COMPANY of efforts which are reasonably calculated to correct such failure if such failure cannot reasonably be corrected within thirty (30) days after written notice of such failure to comply is delivered to FRANCHISEE.

14. **RIGHTS AND OBLIGATIONS OF THE COMPANY AND FRANCHISEE UPON TERMINATION OR EXPIRATION OF FRANCHISE.**

A. **PAYMENT OF AMOUNTS OWED TO THE COMPANY OR CUSTOMERS.**

FRANCHISEE agrees to pay to the COMPANY within fifteen (15) days after the effective date of termination or expiration of the Franchise, or such later date that the amounts due to the COMPANY are determined, such royalty and service fees, technology fees, Centrally Managed Paid Media Investment contributions, NMF Fees, amounts owed to the COMPANY for purchases made by FRANCHISEE, interest due on any of the foregoing, and all other amounts owed to the COMPANY which are then unpaid. FRANCHISEE further agrees to return to his customers all amounts prepaid by such customers within fifteen (15) days after the effective date of termination or expiration of the Franchise.

B. **MARKS.**

FRANCHISEE agrees that upon termination or expiration of the Franchise he will: (1) not directly or indirectly at any time or in any manner, including, but not limited to, on a website, identify himself or any business as a current or former HUNTERS-HUMBUG Business, or as a franchisee, licensee, owner or dealer of or as otherwise associated with the COMPANY, or use any Mark, any colorable imitation thereof or other indicia of a HUNTERS-HUMBUG Business in any manner or for any purpose or utilize for any purpose any trade name, trade or service mark or other commercial symbol that suggests or indicates a connection or association with the COMPANY; (2) return to the COMPANY or destroy all signs, brochures, advertising materials, forms, invoices and other materials containing any Marks or otherwise identifying or relating to the HUNTERS-HUMBUG Business; (3) take all such action as may be required to cancel all fictitious or assumed name or equivalent registrations relating to his use of any Mark; (4) remove all indicia of the Marks from all Service Vehicles not surrendered to or bought by the COMPANY; (5) notify the telephone company and all listing agencies of the termination or expiration of FRANCHISEE's right to use any telephone number and any regular, classified or other telephone directory listings associated with any Mark, and to authorize transfer of same to or at the direction of the COMPANY (FRANCHISEE acknowledges that as between the COMPANY and FRANCHISEE, the COMPANY has the sole rights to and interest in all telephone numbers and directory listings associated with any Mark. FRANCHISEE authorizes the COMPANY, and hereby appoints the COMPANY and any officer of the COMPANY as his attorney in fact, to direct the telephone company and all listing agencies to transfer same to the COMPANY or at its

direction, should FRANCHISEE fail or refuse to do so, and the telephone company and all listing agencies may accept such direction or this Agreement as conclusive of the exclusive rights of the COMPANY in such telephone numbers and directory listings and its authority to direct their transfer); (6) return all materials and supplies identified by the Marks within thirty (30) days after the effective date of termination or expiration of this Agreement; (7) return to the COMPANY all copies of his HUNTERS-HUMBUG Business customer lists, including past customers, present customers and customer prospects; (8) cancel any electronic address, domain name or website which displays any Mark or that identifies FRANCHISEE as associated with the COMPANY or the HUNTERS-HUMBUG Business; (9) furnish to the COMPANY, within thirty (30) days after the effective date of termination or expiration, evidence satisfactory to the COMPANY of FRANCHISEE's compliance with the foregoing obligations. FRANCHISEE acknowledges that his HUNTERS-HUMBUG Business customer lists and contracts are derived from and a result of his operating a HUNTERS-HUMBUG franchise. Therefore, FRANCHISEE agrees that such customer lists and contracts may not be used in connection with any business other than the HUNTERS-HUMBUG Business, and may not be used by, or sold or otherwise transferred to, a third party except as otherwise specifically provided in this Agreement.

C. RETURN OF EQUIPMENT AND OPERATING MANUALS.

FRANCHISEE agrees that upon termination or expiration of the Franchise, he will immediately cease to use the Confidential Information of the COMPANY disclosed to FRANCHISEE pursuant to this Agreement in any business or otherwise and return to the COMPANY all copies of the Operating Manual for the HUNTERS-HUMBUG Business that have been loaned to him by the COMPANY and any other equipment which the COMPANY has loaned to FRANCHISEE.

D. COVENANT NOT TO COMPETE.

Upon termination of this Agreement by either the COMPANY or FRANCHISEE in accordance with the provisions of this Agreement, or upon expiration of this Agreement (if the COMPANY refuses to grant a successor franchise, as provided in Section 12, or FRANCHISEE elects not to acquire a successor franchise), FRANCHISEE and its owner(s) agree that for a period of eighteen (18) months, commencing on the effective date of termination or expiration, or the date on which FRANCHISEE ceases to conduct the business conducted pursuant to this Agreement, whichever is later, neither FRANCHISEE, its owner(s) nor the members of his and their immediate families will have any interest as a disclosed or beneficial owner, investor, lender, partner, director, officer, manager, consultant, employee, representative or agent, or in any other capacity, in any Competitive Business located within (i) FRANCHISEE's Territory, (ii) fifty (50) miles of the boundary of FRANCHISEE's Territory, (iii) the territory of any other HUNTERS-HUMBUG Business in operation or in the process of opening on the later of the effective date of the termination or expiration of this Agreement or the date on which all persons restricted by this Subsection begin to comply with this Subsection, or (iv) fifty (50) miles of the boundary of the territory of any other HUNTERS-HUMBUG Business in operation or in the process of opening on the later of the effective date of the termination or expiration of this Agreement or the date on which all persons restricted by this Subsection begin to comply with this Subsection.

E. **CONTINUING OBLIGATIONS.**

All obligations of the COMPANY and FRANCHISEE which expressly or by their nature survive the expiration or termination of this Agreement shall continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire.

15. **ENFORCEMENT.**

A. **SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS.**

Except as expressly provided to the contrary herein, each section, paragraph, term and provision of this Agreement, and any portion thereof, shall be considered severable and if, for any reason, any such portion of this Agreement is held to be invalid, contrary to, or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency or tribunal with competent jurisdiction in a proceeding to which the COMPANY is a party, that ruling shall not impair the operation of, or have any other effect upon, such other portions of this Agreement as may remain otherwise intelligible, which shall continue to be given full force and effect and bind the parties hereto, although any portion held to be invalid shall be deemed not to be a part of this Agreement from the date the time for appeal expires, if FRANCHISEE is a party thereto; otherwise upon FRANCHISEE's receipt of written notice of non-enforcement thereof from the COMPANY. If any covenant herein which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited and/or length of time, but would be enforceable by reducing any part or all thereof, FRANCHISEE and the COMPANY agree that same shall be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction in which enforcement is sought. If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of or refusal to enter into a successor franchise agreement than is required hereunder, or the taking of some other action not required hereunder, or if under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any specification, standard or operating procedure prescribed by the COMPANY is invalid or unenforceable, the prior notice and/or other action required by such law or rule shall be substituted for the comparable provisions hereof, and the COMPANY shall have the right, in its sole discretion, to modify such invalid or unenforceable provision, specification, standard or operating procedure to the extent required to be valid and enforceable. Such modification(s) to this Agreement shall be effective only in such jurisdiction, unless the COMPANY elects to give it greater applicability, and shall be enforced as originally made and entered into in all other jurisdictions. FRANCHISEE agrees to be bound by any such modification to this Agreement.

B. **WAIVER OF OBLIGATIONS.**

The COMPANY and FRANCHISEE may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice thereof to the other. Any waiver granted by the COMPANY shall be without prejudice to any other rights the COMPANY may have, will be subject to continuing review by the COMPANY and may be revoked, in the COMPANY's sole discretion, at any time and for any

reason, effective upon delivery to FRANCHISEE of ten (10) days' prior written notice. The COMPANY and FRANCHISEE shall not be deemed to have waived or impaired any right, power or option reserved by this Agreement by virtue of any custom or practice of the parties at variance with the terms hereof; any failure, refusal or neglect of the COMPANY or FRANCHISEE to exercise any rights under this Agreement or to insist upon exact compliance by the other with its obligations hereunder; any waiver, forbearance, delay, failure or omission by the COMPANY to exercise any right, power or option, whether of the same, similar or different nature, with respect to other HUNTERS-HUMBUG Businesses; or the acceptance by the COMPANY of any payments due from FRANCHISEE after any breach of this Agreement.

Neither the COMPANY nor FRANCHISEE shall be liable for loss or damage or deemed to be in breach of this Agreement if its failure to perform its obligations results from: (1) transportation shortages, inadequate supply of equipment, merchandise, supplies, labor, material or energy, or the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency thereof; (2) compliance with any law, ruling, order, regulation, requirement or instruction of any federal, state, or municipal government or any department or agency thereof; (3) acts of God; (4) fires, strikes, embargoes, war or riot; or (5) any other similar event or cause. Any delay resulting from any of said causes shall extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that said causes shall not excuse payments of amounts owed at the time of such occurrence or payment of royalty and service fees, technology fees, Centrally Managed Paid Media Investment contributions, and NMF Fees.

C. INJUNCTIVE RELIEF.

Notwithstanding anything to the contrary contained in Subsection F of this Section, either party may institute in a court of competent jurisdiction an action or actions for temporary or preliminary injunctive relief; provided, however, that such party shall contemporaneously submit the dispute for arbitration on the merits in accordance with Subsection F(3) of this Section. FRANCHISEE agrees that the COMPANY may have such temporary or preliminary injunctive relief without bond, but upon due notice, and FRANCHISEE's sole remedy in the event of the entry of such injunctive relief shall be the dissolution of such injunctive relief, if warranted, upon hearing duly had (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby).

D. RIGHTS OF PARTIES ARE CUMULATIVE.

The rights of the COMPANY and FRANCHISEE hereunder are cumulative and no exercise or enforcement by the COMPANY or FRANCHISEE of any right or remedy hereunder shall preclude the exercise or enforcement by the COMPANY or FRANCHISEE of any other right or remedy hereunder or which the COMPANY or FRANCHISEE is entitled by law to enforce.

E. COSTS AND ATTORNEYS' FEES.

If the COMPANY incurs expenses in connection with FRANCHISEE's failure to pay when due amounts owing to the COMPANY, to submit when due any reports, information or supporting records or otherwise to comply with this Agreement, FRANCHISEE shall reimburse the COMPANY for any such costs and expenses which it incurs, including, but not limited to, reasonable legal, arbitrators', accounting and related fees.

F. DISPUTE RESOLUTION AND ARBITRATION.

(1) Meeting Between Principals. COMPANY and FRANCHISEE will attempt to resolve any controversy, claim, or dispute arising out of or relating to this Agreement and involving FRANCHISEE and COMPANY or any of their respective affiliates, owners, officers, directors, employees, agents or representatives (a "Dispute") promptly by a meeting between principals of the respective parties who have authority to settle the Dispute ("Principals"). Either party may give the other written notice ("Dispute Notice") of any Dispute that has not been resolved in the ordinary course of business. Within fifteen (15) days after delivery of the Dispute Notice, the receiving party must give to the other a written response ("Response"). The Dispute Notice and the Response must include: (i) a statement describing the position of the party giving the Dispute Notice and the Response and a summary of arguments supporting such position; and (ii) the name of the Principal and any other persons who will accompany the Principal at the meeting at which the parties will attempt to resolve the Dispute. Within thirty (30) days after delivery of the Dispute Notice, the Principals will meet at a mutually acceptable time and place, and then as often as they reasonably consider necessary, to attempt to resolve the Dispute. All reasonable requests for information made by one party to the other will be honored. If the Dispute has not been resolved within sixty (60) days after delivery of the Dispute Notice, or if the Principals do not meet within thirty (30) days after delivery of the Dispute Notice, either party may initiate mediation of the Dispute. All meetings, discussions, and other communications under this Subsection will be treated as compromise and settlement discussions and communications.

(2) Mediation. All claims or disputes between FRANCHISEE and COMPANY or any of their respective affiliates, owners, officers, directors, employees, agents or representatives arising under, out of, in connection with, or in relation to this Agreement, the parties' relationship, FRANCHISEE's HUNTERS-HUMBUG Business, or any of the parties' respective rights and obligations arising out of this Agreement must be submitted first to mediation prior to initiating an arbitration proceeding (except as noted in Section 15.C. above). Such mediation will take place in Holmdel, New Jersey (or COMPANY's then-current headquarters) under the auspices of the American Arbitration Association ("AAA"), in accordance with the AAA's Commercial Mediation Rules then in effect. FRANCHISEE is prohibited from commencing any formal legal action against COMPANY or its affiliates with respect to any such claim or dispute unless mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by COMPANY. Each party will bear its own costs of mediation and share equally the filing fee imposed by AAA and the mediator's fees. COMPANY reserves the right to specifically enforce its right to mediation. Prior to mediation and before commencing any legal action against

COMPANY or its affiliates with respect to any such claim or dispute, FRANCHISEE must submit a notice to COMPANY specifying in detail the precise nature and grounds of such claim or dispute.

(3) Arbitration. Subject to Section 15.C. above (entitled “Injunctive Relief”), all controversies, disputes or claims between the COMPANY (its affiliates, and their respective shareholders, officers, directors, agents, employees, successors and assigns) and FRANCHISEE (its owners, guarantors and their respective officers, directors, agents, employees, successors and assigns) arising out of or related to:

- (a) FRANCHISEE’s operation of the HUNTERS-HUMBUG Business;
- (b) this Agreement or any other agreement between the parties or any provision of such agreements;
- (c) the relationship of the parties hereto;
- (d) the validity of this Agreement or any other agreement between the parties or any provision of such agreements; or
- (e) any specifications, standards or procedures relating to the establishment or operation of the HUNTERS-HUMBUG Business,

which is not resolved through a meeting of Principals (as described in Subsection F(1) above) or mediation (as described in Subsection F(2) above), shall be submitted for binding arbitration before one arbitrator, and except as this Subsection F(3) otherwise provides, in accordance with the then current commercial arbitration rules of the American Arbitration Association. All matters within the scope of the Federal Arbitration Act (9 U.S.C. Sections 1 et seq.) shall be governed by it.

Arbitration shall take place at a location specified by the arbitrator within ten (10) miles of the COMPANY’s then-current principal place of business. The arbitrator shall have no authority to select a hearing locale other than as described in the prior sentence. The award of the arbitrator shall be final and judgment upon the award may be entered in any court of competent jurisdiction. The parties agree that, in connection with any such arbitration proceeding, each shall submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed in such proceeding shall be barred.

The COMPANY and FRANCHISEE agree that arbitration shall be conducted on an individual, not a class-wide, basis and that an arbitration proceeding between the COMPANY and FRANCHISEE shall not be consolidated with any other arbitration proceeding involving the COMPANY and any other natural person, association, corporation, partnership or other entity. Notwithstanding the foregoing or anything to the contrary in this Subsection F(3) or Section 15.A, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Subsection F(3), then all parties agree that this arbitration clause shall not apply to that dispute and that such dispute

shall be resolved in a judicial proceeding in accordance with this Article 15 (excluding this Section 15.F(3)).

The COMPANY and FRANCHISEE waive any right to or claim for punitive or exemplary damages, except punitive or exemplary damages allowed under federal statute.

The provisions of this Subsection F(3) shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

G. GOVERNING LAW.

All matters relating to arbitration shall be governed by the Federal Arbitration Act. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, this Agreement, the Franchise and the relationship of the parties shall be governed by the laws of the State of New Jersey, without regard for its conflicts of laws principles, except that any New Jersey law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Subsection G.

H. JURISDICTION.

With respect to actions described in Section 15.C, above and any other actions not subject to arbitration under Subsection F(3) above, FRANCHISEE and the COMPANY agree that any action arising under this Agreement or otherwise as a result of the relationship between FRANCHISEE and the COMPANY must be commenced in a state or federal court of competent jurisdiction in the State of New Jersey. FRANCHISEE irrevocably submits to the jurisdiction of such courts and waives any objection he may have to either the jurisdiction or venue of such court.

I. WAIVER OF PUNITIVE DAMAGES.

The parties waive to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages, except punitive or exemplary damages allowed under federal statute. The parties agree that, in the event of a dispute between them, the party making a claim shall be limited to recovery of any actual damages it sustains.

J. WAIVER OF JURY TRIAL.

Each party irrevocably waives trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either party.

K. FRANCHISEE MAY NOT WITHHOLD PAYMENTS.

FRANCHISEE agrees that he will not, on grounds of the alleged nonperformance by the COMPANY of any of its obligations hereunder, withhold payment of any royalty and service fees, technology fees, Centrally Managed Paid Media Investment contributions, NMF Fees, amounts

due to the COMPANY for purchases by FRANCHISEE or any other amounts due to the COMPANY.

L. **BINDING EFFECT.**

This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest. Subject to the COMPANY's right to modify the Operating Manual, this Agreement shall not be modified except by written agreement signed by FRANCHISEE and the COMPANY.

M. **LIMITATIONS OF CLAIMS.**

Any and all claims, except claims for monies due the COMPANY, arising out of or relating to this Agreement or the relationship among the parties hereto shall be barred unless an action or legal or arbitration proceeding is commenced within one (1) year from the date FRANCHISEE or the COMPANY knew or should have known of the facts giving rise to such claims.

N. **CONSTRUCTION.**

The preambles and exhibits are a part of this Agreement, which together with the Operating Manual, constitutes the entire agreement of the parties, and there are no other oral or written understandings or agreements between the COMPANY and FRANCHISEE relating to the subject matter of this Agreement. Notwithstanding the foregoing, nothing in this Agreement or any related agreement shall disclaim or require FRANCHISEE to waive reliance on any representation that the COMPANY made in the most recent disclosure document (including its exhibits and amendments) that the COMPANY delivered to FRANCHISEE or its representative. The term "FRANCHISEE" as used herein is applicable to one (1) or more persons, a corporation or a partnership, as the case may be, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine. If two (2) or more persons are at any time FRANCHISEE hereunder, their obligations and liabilities to the COMPANY shall be joint and several. References to "FRANCHISEE" and "transferee" which are applicable to an individual or individuals shall mean the principal owner(s) of the equity or operating control of FRANCHISEE or the transferee, if FRANCHISEE or the transferee is a corporation or partnership. The headings of the several sections and paragraphs hereof are for convenience only and do not define, limit or construe the contents of such sections or paragraphs. The words "include" and "including" are meant to be illustrative and not exhaustive and are deemed to be read in all cases as "including, without limitation" and/or "including, but not limited to."

Except where this Agreement expressly obligates the COMPANY reasonably to approve or not unreasonably to withhold its approval of any action or request by FRANCHISEE, the COMPANY has the absolute right to refuse any request by FRANCHISEE or to withhold its approval of any action by FRANCHISEE that requires the COMPANY's approval. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party hereto.

16. **NOTICE AND PAYMENTS.**

All written notices and reports permitted or required to be delivered by the provisions of this Agreement or of the Operating Manual shall be deemed so delivered at the time delivered by hand; one (1) business day after transmission by facsimile, telecopy, telegraph or comparable electronic system; one (1) business day after being placed in the hands of a commercial courier service for next business day delivery; or three (3) business days after placement in the mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid, to the address set forth herein, or to such other address as designated in writing by the COMPANY or FRANCHISEE. Any required payment or report which the COMPANY does not actually receive at the correct address during regular or business hours on the date due (or postmarked by postal authorities at least two (2) days before it is due) will be deemed delinquent.

17. **NO WAIVER OR DISCLAIMER OF RELIANCE IN CERTAIN STATES.**

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

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

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed, sealed and delivered this Agreement in multiple counterparts on the day and year first above written.

MOSQUITO HUNTERS, LLC, a Delaware
limited liability company

By: _____
Courtney Aiken, President
Date*: _____
(*Effective date of this Agreement)

_____, Individually
FRANCHISEE

Date: _____

_____, Individually
FRANCHISEE

Date: _____

EXHIBIT A

TO THE PEST HUNTERS-MOSQUITO HUNTERS-HUMBUG HOLIDAY LIGHTING FRANCHISE AGREEMENT

OWNERS OF FRANCHISEE

1. **Owners:** FRANCHISEE and its owners represent and warrant the following list includes the full name and mailing address of each person who is one of FRANCHISEE's owners, or an owner of one of FRANCHISEE's owners, and fully describes the nature of each owner's interest (attach additional pages if necessary).

	<u>Owner's Name and Address</u>	<u>Percentage/Description of Interest</u>
(a)	_____ _____	_____
(b)	_____ _____	_____
(c)	_____ _____	_____
(d)	_____ _____	_____

As of the date hereof there are _____ (_____) ownership interests authorized and there are _____ (_____) ownership interests which are issued and outstanding. There are no other authorized classes of shares.

_____, Individually _____, Individually
FRANCHISEE FRANCHISEE

Date: _____ Date: _____

_____, Individually _____, Individually
FRANCHISEE FRANCHISEE

Date: _____ Date: _____

EXHIBIT B

ELECTRONIC FUNDS TRANSFER AUTHORIZATION

ELECTRONIC FUNDS TRANSFER AUTHORIZATION FOR PREAUTHORIZED PAYMENTS

The undersigned Franchisee authorizes Mosquito Hunters, LLC ("Franchisor") to debit fees due and payable under the Franchise Agreement(s), including, but not limited to, Royalty and Service Fees, Marketing and Promotion-related contributions, equipment rental payments, parts purchases, technology fees, conference registration fees, material purchases, interest, late fees and/or payment rejection fees from the bank account listed below.

BANK ACCOUNT INFORMATION

Bank Name: _____ Account Type: ☐ Business ☐ Personal

Branch Address: _____ Account Type: ☐ Checking ☐ Savings

Bank City: _____ Bank State or Province: _____

FEIN #: _____

Account Number: _____ Bank Routing #: _____

Please include a void check from this account when submitting this form.

In the event Franchisee fails to submit a Service Fee Report in a timely fashion, Franchisee authorizes Franchisor to debit estimated Royalty and Service Fees and Marketing and Promotion-related contributions in the amount of the last submitted Service Fee Report. Upon receipt of the delinquent Service Fee Report, Franchisor will credit or debit Franchisee's account the difference between the estimated and actual fees, and will also charge a fee of one percent (1.0%) of the total due for each month that the Service Fee Report was late.

Franchisee will incur a per occurrence fee of Twenty Dollars (\$20.00) if any EFT payment is rejected by the above referenced bank account.

This Authorization is irrevocable and shall remain in effect for so long as the Franchise Agreement(s) remains in effect. Franchisee shall notify Franchisor in writing of any changes to bank account information at least thirty (30) days in advance of the date the first debit is scheduled to be initiated from the new bank. The new bank account will be subject to this Authorization as if it had been in effect at the time this Agreement was signed.

Name of Franchise: _____

Franchisee's Name: _____

Signature: _____

Date: _____

EXHIBIT C

ASSIGNMENT AND ASSUMPTION AGREEMENT

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT is made this _____ day of _____, 20____ **BETWEEN:**

MOSQUITO HUNTERS, LLC, a Delaware limited liability company
(hereafter called "Company")

- and -

_____, an individual

(hereafter called "Franchisee")

- and -

(hereafter called "Assignee")

R E C I T A L S:

WHEREAS, Franchisee and Company entered into that certain Pest Hunters-Mosquito Hunters-Humbug Holiday Lighting Franchise Agreement dated _____ (the "Franchise Agreement"), which Franchise Agreement is incorporated herein by this reference, for the operation of a Pest Hunters-Mosquito Hunters-Humbug Holiday Lighting business (the "Business");

WHEREAS, concurrently with the Franchise Agreement, Company and Franchisee entered into an Extranet Agreement. These two agreements are hereinafter referred to as the "Agreements";

WHEREAS, Franchisee wishes to assign his interest in the Agreements to Assignee, effective on the _____ day of _____, 20____ (hereafter called the "Effective Date"); and

WHEREAS, the Agreements prohibit Franchisee from assigning them without the consent of Company and without first complying with certain requirements.

NOW, THEREFORE, in consideration of the premises, the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby covenant and agree as follows:

1. **Assignment.** Franchisee hereby transfers, sets over and assigns to Assignee, as of the Effective Date, all of Franchisee's right, title and interest in and to the Agreements, subject to Assignee's timely observance and performance of Franchisee's covenants contained in the Agreements and all agreements relating thereto, including, without limitation, the punctual payment of all sums payable thereunder from time to time.

2. **Assumption.** Assignee hereby assumes all of Franchisee's obligations, agreements, commitments, duties and liabilities under the Agreements and all agreements relating thereto and agrees to be bound by and faithfully to perform and observe at all times during the initial or any renewal terms of the Agreements all of Franchisee's obligations, agreements, commitments and duties with the same force and effect as if the Agreements were originally written with Assignee as the Franchisee, including, without limitation, the payment of all sums reserved thereby.

3. **Company Consent.** Company hereby consents to the assignment subject to Franchisee's and Assignee's jointly and severally agreeing to pay to Company immediately upon demand any and all monies owed by Franchisee to Company or any subsidiary or affiliate of Company as of the Effective Date.

4. **Franchisee's Obligations.** Franchisee covenants and agrees that he shall be jointly and severally liable for Assignee's performance of its obligations under the Agreements and bound by all of the provisions of the Agreements, and nothing contained herein shall be deemed to relieve Franchisee of his obligations under the Agreements.

5. **Future Assignments.** Company's consent herein shall not be construed as a waiver by Company of its required consent to any further assignment of any of the Agreements, which assignment shall be effected only in accordance with the terms of such Agreements.

6. **Interests in Assignee.** Assignee and Franchisee jointly and severally covenant and agree that, as long as the Franchise Agreement remains in full force and effect:

(a) Franchisee shall not directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise sell, assign, transfer, convey, donate, pledge, mortgage or otherwise encumber any shares or other ownership interests of Assignee now or hereafter owned or controlled by Franchisee without obtaining Company's prior written consent in accordance with the Franchise Agreement. Assignee shall be a newly organized entity and its articles of incorporation, membership agreement, or other governance document shall at all times provide that its activities are confined exclusively to operating the Business.

(b) Franchisee shall own not less than fifty-one percent (51%) of the equity and voting power of all issued and outstanding capital stock, membership interest, or other ownership interest of Assignee. For the purposes hereof, voting shares include shares of any class or classes (however designated) having ordinary voting power under all circumstances, the exercise of which is not restrained by the existence of any agreement, whether written or oral. Assignee shall maintain stop-transfer instructions on its records of any ownership interests, and each stock certificate or other documentation thereof shall have conspicuously endorsed on its face a statement in a form satisfactory to Company that it is held subject to, and that further assignment or transfer thereof is limited by, all restrictions imposed upon assignments by the Franchise Agreement.

(c) In the event Franchisee or Assignee shall transfer or issue any shares or other ownership interests of Assignee, any new owners shall be obligated to execute a written agreement with Company undertaking to be bound by the provisions of the Agreements,

including the restrictions on any change in control of Assignee and the non-compete and nondisclosure covenants, and agreeing to be jointly and severally liable for Assignee's performance of the Agreements. Contemporaneously with the appointment or election of any person as a director or officer of Assignee, Franchisee and Assignee shall cause such person to execute a written agreement with Company undertaking to be bound by the non-compete and nondisclosure covenants contained in the Franchise Agreement.

(d) Attached as Exhibit A is a list of all of the owners of Assignee as of the Effective Date. Assignee shall furnish to Company, immediately upon all transfers or issuances of ownership interests of Assignee, a revised version of Exhibit A.

(e) Assignee agrees that it will not use the Marks (as that term is defined in the Franchise Agreement) or any name deceptively similar thereto as part of its corporate or trade name.

(f) Assignee shall not engage in any business or activity that competes with Company, the Business or the Pest Hunters-Mosquito Hunters-Humbug Holiday Lighting system; provided, however, Company may permit Assignee to engage in other non-competitive business activities provided Assignee obtains the prior written consent of Company, which may be withheld by Company in its sole discretion.

[FOR USE IN ALL STATES EXCEPT WHERE FRANCHISEE OR ANY OF ITS OWNERS ARE LOCATED IN CALIFORNIA:

7. **Release.** In further consideration of Company's granting its approval of the assignment under this Agreement, Franchisee, on behalf of itself and its current and former affiliates, agents, principals, officers, directors, shareholders, employees, representatives, attorneys, parents, subsidiaries, divisions and successors and assigns (the "Franchisee Group") hereby releases Company, its affiliates and its current and former agents, principals, officers, directors, shareholders, employees, representatives, attorneys, parents, subsidiaries, divisions, and successors and assigns (the "Company Group"), of and from any and all manner of obligation, debt, liability, tort, covenant, contract, agreement, undertaking, and account, and any and all claims or causes of action, whether known or unknown, vested or contingent, suspected or unsuspected (collectively, "Claims") which any of the Franchisee Group now has, ever had, or may have, against any of the Company Group, from the beginning of time through the date of this Agreement. With respect to the Claims released under this Section 7, Franchisee, on behalf of itself and the other members of the Franchisee Group, acknowledges that they may hereafter discover facts in addition to or different from those which they now know or believe to be true with respect to the subject matter of this release, but that it is their intention, subject to the terms and conditions of this Section 7, fully, finally and forever to settle and release all such Claims against any of the Company Group, known or unknown, suspected or unsuspected, which now exist, may exist or did exist, and, in furtherance of such intention, the release given under this Section 7 shall be and remain in effect as a full and complete release, notwithstanding the discovery or existence of any such additional or different facts.

Franchisee warrants and represents, and also on behalf of the other members of the Franchisee Group, that they have not assigned or otherwise transferred any Claim or cause of action released by this Section 7.

Franchisee, on behalf of itself and the other members of the Franchisee Group, further covenants not to sue any of the Company Group on any of the Claims released by this Section 7 or to act as a consultant, advisor, or expert witness for any other party that sues any of the Company Group.]

[FOR USE WHERE FRANCHISEE OR ANY OF ITS OWNERS ARE LOCATED IN CALIFORNIA:

7. Release of Company Group by Franchisee Group.

(a) **Release.** In further consideration of Company's granting its approval of the assignment under this Agreement, Franchisee, on behalf of itself and its current and former affiliates, agents, principals, officers, directors, shareholders, employees, representatives, attorneys, parents, subsidiaries, divisions and successors and assigns (the "Franchisee Group") hereby releases Company, its affiliates and its current and former agents, principals, officers, directors, shareholders, employees, representatives, attorneys, parents, subsidiaries, divisions, and successors and assigns (the "Company Group"), of and from any and all manner of obligation, debt, liability, tort, covenant, contract, agreement, undertaking, and account, and any and all claims or causes of action, whether known or unknown, vested or contingent, suspected or unsuspected (collectively, "Claims") which any of the Franchisee Group now has, ever had, or may have, against any of the Company Group, from the beginning of time through the date of this Agreement. Franchisee warrants and represents, and also on behalf of the other members of the Franchisee Group, that they have not assigned or otherwise transferred any Claim or cause of action released by this Section 7(a).

Franchisee, on behalf of itself and the other members of the Franchisee Group, further covenants not to sue any of the Company Group on any of the Claims released by this Section 7(a) or to act as a consultant, advisor, or expert witness for any other party that sues any of the Company Group.

(b) **Waiver of Section 1542 Rights.** In granting the release under Section 7(a), Franchisee, on behalf of itself and the other members of the Franchisee Group, waives all rights and benefits which any of them now has or in the future may have under and by virtue of the terms of Section 1542 of the Civil Code of the State of California, which provides as follows:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Franchisee, on behalf of itself and the other members of the Franchisee Group, waives and relinquishes every right or benefit which any of them has under Section 1542 of the Civil Code of the State of California, and any similar statute or right under any other law, to the fullest extent that the right or benefit may lawfully be waived. In connection with this waiver and relinquishment, with respect to the Claims released under Section 7(a), Franchisee, on behalf of itself and the other members of the Franchisee Group, acknowledges that they may hereafter discover facts in addition to or different from those which they now know or believe to be true with respect to the subject matter of this Agreement, but that it is their intention, subject to this Agreement's terms and conditions, fully, finally, and forever to settle and release all such Claims which now exist, may exist, or did exist, and, in furtherance of such intention, the release given under Section 7(a) shall be and remain in effect as full and complete releases, notwithstanding the discovery or existence of any such additional or different facts.]

8. **Nonwaiver.** Company's consent to the assignment shall not constitute a waiver of any claims it may have against Franchisee nor shall it be deemed a waiver of Company's right to demand Assignee's exact compliance with the terms of the Agreements.

9. **Notices.** All notices, requests, demands or other communications to be delivered to the parties hereto may be delivered in the same manner as described in the Franchise Agreement.

10. **Acknowledgment.** Assignee acknowledges that it has received a copy of the Agreements and is familiar with, and agrees to abide by, the terms, covenants and conditions contained therein on the part of Franchisee.

11. **Conflicting Provisions.** If there is any conflict between the provisions of this Agreement and the provisions of the Agreements, the provisions of this Agreement shall prevail.

12. **Time of the Essence.** Time shall be of the essence in this Agreement.

13. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey, without regard for its conflicts of laws principles.

14. **Binding Effect.** This Agreement shall inure to the benefit of Company and its successors and assigns and shall be binding upon Franchisee and Assignee and their respective successors, assigns and legal representatives.

15. **Joint and Several Liability.** In the event there is more than one Franchisee or if Franchisee is comprised of more than one entity, their liability hereunder shall be joint and several.

The release provided in Section 7 of this Assignment and Assumption Agreement does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

IN WITNESS WHEREOF the parties have duly executed this Agreement on the day stated on page one hereof.

COMPANY: MOSQUITO HUNTERS, LLC, a Delaware limited liability company

By: _____

Its: Chairman, Scott D. Frith

FRANCHISEE: _____

By: _____, Individually

ASSIGNEE: _____, a _____
corporation/limited liability company/other _____ (please specify)

By: _____

Print Name: _____

Title _____

EXHIBIT A

OWNERS OF ASSIGNEE

1. **Owners:** Assignee and its owners represent and warrant the following list includes the full name and mailing address of each person who is one of Assignee's owners, or an owner of one of Assignee's owners, and fully describes the nature of each owner's interest (attach additional pages if necessary).

	<u>Owner's Name and Address</u>	<u>Percentage/Description of Interest</u>
(a)	_____ _____	_____
(b)	_____ _____	_____
(c)	_____ _____	_____
(d)	_____ _____	_____

As of the date hereof there are _____ (_____) ownership interests authorized and there are _____ (_____) ownership interests which are issued and outstanding. There are no other authorized classes of shares.

_____ ASSIGNEE	Individually	_____ ASSIGNEE	Individually
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Date:_____	Date:_____
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_____ ASSIGNEE	Individually	_____, Individually	ASSIGNEE
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Date:_____	Date:_____
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EXHIBIT D
EXTRANET AGREEMENT

EXTRANET AGREEMENT

This Extranet Agreement (the “**Agreement**”) is made as of _____, 20__ by and between Mosquito Hunters, LLC (“**Mosquito Hunters**”) and _____ (“**Franchisee**”).

Introduction

*Mosquito Hunters is offering its Franchisees an opportunity to access Mosquito Hunters’ official web site (the “**Web site**”). Mosquito Hunters has also developed a communication network that utilizes a password protected Internet web site (the “**Extranet**”) for the benefit of the Pest Hunters-Mosquito Hunters-Humbug Holiday Lighting system and its Franchisees. To have access privileges to use the Extranet, you must agree to the terms and conditions set forth herein and to the Terms of Use (“**TOU**”) attached as Exhibit A. This Agreement and the TOU establish the terms and conditions of the access privileges granted to you and anyone you so designate to use the Extranet.*

The parties to this Agreement – Mosquito Hunters and Franchisee – are also parties to a Franchise Agreement relating to the establishment and operation of a Pest Hunters-Mosquito Hunters-Humbug Holiday Lighting business at the address noted in the signature block of this Agreement.

*In this Agreement, the words “**you**” and “**your**” mean Franchisee, any other person or agent logging onto the Extranet on your behalf, any other person or agent otherwise using your account password and/or any sub-account that has been created. The words “**we**,” “**us**” and “**our**” mean Mosquito Hunters.*

System Requirements

In order to use the Extranet, you will need a computer with an internet connection, current internet browser software, and other compatible software (collectively, your “**computer system**”). You are solely and completely responsible for the installation, maintenance and operation of your computer system, and for all costs and expenses that you will incur in connection therewith, as well as telephone and/or cable charges incurred while connecting to the Web site, the Extranet, and for any charges by any internet provider you choose to use to gain access to the Internet and, ultimately, the Web site or the Extranet.

We are not responsible for any errors or failures caused by any malfunction of your computer, and we are not responsible for any computer virus or related problems that may be associated with your use of the Extranet, the Web site or of your computer.

Security

Mosquito Hunters is committed to helping to keep your information private and secure. However, we cannot guarantee that this will be the case. You play a critical role in maintaining the security of your system. By using this system, you agree to the following:

- To keep your password and user ID confidential, and not to post them on or in the proximity of your computer, nor to store your password or other sensitive data on your computer. You further agree not to disclose your password and/or user ID to anyone.
- That your password and user ID are your authorization for using the Extranet.
- To log out of the Extranet when you are finished using the service.

The Extranet permits you to create sub-accounts for franchise partners and/or employees. You alone are responsible for the access granted to these sub-accounts as well as for ensuring these sub-accounts do not post derogatory or defamatory statements or comments. Mosquito Hunters reserves the right to immediately disconnect any sub-accounts so created.

The Extranet permits you to electronically communicate with us, but at present, it does not permit you to transfer money, give notices or otherwise communicate with us so as to satisfy the obligations under your Franchise Agreement or any other agreements with Mosquito Hunters.

Limits On Our Responsibility

We agree to make reasonable efforts to ensure the performance of the Extranet and the Web site, but we are not responsible for any losses or delays in transmission arising out of the use of any Internet service provider providing connection to the Internet or caused by any browser software. We are not responsible for any direct, indirect, special, incidental or consequential damages arising in any way out of your use of the Extranet or the Web site. Because some states do not allow the exclusion or limitation of liability for incidental or consequential damages, in such states our liability is limited to the extent permitted by law.

Mosquito Hunters makes no express or implied warranties concerning the Extranet service or the Web site, including, but not limited to, any warranties of merchantability, fitness for a particular purpose or non-infringement of third-party proprietary rights.

Franchise Agreement

This Agreement is part of your Franchise Agreement with Mosquito Hunters. If you are in default under this Agreement, that will also constitute a default under your Franchise Agreement. The provisions of the Franchise Agreement relating to matters such as confidential information, use of the system, use of the trademarks, and indemnity also apply to your use of the Extranet and the Web site.

Changes to the Extranet and Web site

We reserve the right to change, modify or discontinue the Web site, the Extranet and/or any of its components or features from time to time.

Property Rights

The Extranet, the Web site, and all rights in and to any information or data relating to the Extranet and the Web site, including the logs of “hits” by visitors, the Web pages they visited, and any personal or business data they voluntarily supply, will be owned solely by Mosquito Hunters.

Governing Law

This Agreement shall be governed by, and construed, exclusively in accordance with the laws of the State of New Jersey (without regard to its conflicts of laws rules). If any provision of this Agreement shall be unlawful, void or for any reason unenforceable, then that provision shall be deemed severable from this Agreement and shall not affect the validity and enforceability of any remaining provisions.

No Other Agreements

This Agreement and the exhibits hereto are the only agreements between us and you concerning the Extranet and the Web site, and supersede any and all prior communication on the subject matter hereof. Neither party is relying on anything other than the words of this Agreement and the exhibits hereto in deciding whether to enter into this Agreement.

Amendments

This Agreement may be amended but only with both parties’ written consent; however, revisions to the TOU shall be deemed to have been consented to, in writing, if you receive notice of any such changes online, and then continue to use the Extranet and/or the Web site.

IN WITNESS WHEREOF, and intending to be legally bound, the parties have entered into this Agreement as of the date first written above.

MOSQUITO HUNTERS, LLC

FRANCHISEE:

By: _____

Title: SCOTT D. FRITH, Chairman

FRANCHISEE:

FRANCHISEE:

TERMS OF USE FOR MOSQUITO HUNTERS' EXTRANET FOR FRANCHISEES

Mosquito Hunters, LLC ("***Mosquito Hunters***" or "***we***" or "***us***") welcomes you to Mosquito Hunters' Extranet ("***Extranet***") for its Franchisees. Please read these Terms of Use (the "***TOU***") carefully before using the Web site (the "***Site***").

By making any use of this Site (such as reading or perusing the Site's content, or downloading material from it), you will indicate your agreement to abide by these TOU. If you do not agree with any of these terms, please do not use this Site or download any materials from it.

We reserve the right to modify, alter or otherwise update these TOU at any time, and you agree to be bound by such modifications, alterations or updates. You should review the then-current terms because they will be binding on you if you continue to use this Site after receiving notice of any such changes.

Objectives

The Extranet is intended solely for the business use of Mosquito Hunters, its Franchisees and any so designated sub-accounts. Any other use of the Extranet is not permitted.

The TOU are designed to assist in protecting the Extranet, Mosquito Hunters' Franchisees, and other users of the Extranet from improper and/or illegal activity over the Internet. You are expected to use the Extranet in a reasonable fashion and to adhere to commonly accepted practices of the Internet community.

The categories listed below are intended merely to serve as guidelines regarding appropriate and inappropriate conduct. This list is by no means exhaustive and should not be interpreted as such. We reserve the right to take action and stop any activity that we deem to be inappropriate, derogatory or defamatory that takes place on the Extranet.

While we do not intend to control or monitor your use of the Extranet or the content of your online communications, and we are not obligated to do so, we reserve the right to edit or remove content or accounts that we deem to be in violation of the TOU or that we otherwise deem harmful or offensive. The TOU apply to all aspects of the Extranet, including (without limitation) e-mail, message posting, chatting and browsing.

Access Rights

We are granting you the right to access the Extranet using the appropriate user ID and password. You agree to accept the affirmative duty to keep your user ID and password secure, and further agree that you will not post that information anywhere in, on, or near your computer or otherwise where it can be easily found by someone else. If your password is lost, stolen or otherwise compromised, you must immediately take reasonable steps to deactivate the compromised password. Mosquito Hunters is not responsible for any data that is lost, altered or that becomes public through your failure to protect your password.

We will allow you (and any sub-accounts you create) access to the Extranet so long as you comply with these TOU and for so long as you remain a Mosquito Hunters Franchisee in good standing. You may not transfer your user account to anyone without our prior written consent. We reserve the right to terminate access to the Extranet by you or any sub-accounts, in our sole judgment, to discontinue the Extranet itself. We will have no liability to you if we terminate access to the Extranet.

Rights of Mosquito Hunters

If you engage in conduct while using the Extranet that is in violation of the TOU or is otherwise illegal or improper, we reserve the right to suspend or terminate your access to the Extranet without prior notice to you. In most cases, we may attempt to notify you of any activity in violation of the TOU and request that you cease such activity; however, we are not required to do so. In addition, we may take any other appropriate action against you for violations of the TOU. We do not make any promise, nor do we have any obligation, to monitor or police activity occurring via the Extranet and will have no liability to any party, including you, for any violation of the TOU.

Linked Sites

We may provide links from our Site to other Web sites. Linked sites are not under the control of Mosquito Hunters, and Mosquito Hunters is not responsible for the content of any linked site or any link contained in a linked site. Mosquito Hunters reserves the right to terminate any link or linking program at any time. Mosquito Hunters does not endorse companies or products to which it links and reserves the right to note as such on its Web pages. If you decide to access any of the third-party sites that may be linked to this Site, you do so entirely at your own risk.

Unauthorized Access/Interference

You may not attempt to gain unauthorized access to, or attempt to interfere with or compromise the normal functioning, operation or security of the Extranet. You may not use the Extranet to engage in any activities that may interfere with the ability of others to access or use the Extranet. You may not attempt to gain unauthorized access to the user accounts or passwords of other users.

Trademarks and Copyright

The materials on this Site are copyrighted and are protected by U.S. and international copyright laws and treaty provisions. All content included on this Site, such as text, graphics, logos, button icons, images, audio clips and software, is the property of Mosquito Hunters. The compilation (meaning the collection, arrangement and assembly) of all content on this site is the exclusive property of Mosquito Hunters. No material from this Extranet or any Web site owned, operated, licensed or controlled by Mosquito Hunters may be copied, reproduced, republished, uploaded, posted, transmitted or distributed in any way, except that you may view the materials online, download the materials and retain one electronic copy on any single computer and one print copy of any individual file solely for your use in connection with the business of operating your Pest Hunters-Mosquito Hunters-Humbug Holiday Lighting Franchise under the terms of the relevant franchise agreement, provided that you keep intact all copyright and other proprietary notices. Modification, decompiling, reverse engineering or any use of the materials for any other purpose is a violation of Mosquito Hunters' copyrights. Mosquito Hunters' trademarks may only be used with express written consent from Mosquito Hunters. Except as expressly provided in these TOU, Mosquito Hunters does not grant any express or implied right to you under any copyrights, trademarks or other proprietary rights. All other brands and names are property of their respective owners.

You agree that you will not upload, post, or otherwise distribute or facilitate distribution of any content, including text, communications, software, images, sounds, data or other information that:

- a. is unlawful, threatening, abusive, harassing, defamatory, libelous, deceptive, fraudulent, invasive of another's privacy, tortious, contains explicit or graphic descriptions or accounts of sexual acts (including,

without limitation, sexual language of a violent or threatening nature directed at another individual or group of individuals), or otherwise violates Mosquito Hunters' rules or policies;

- b. victimizes, harasses, degrades, or intimidates an individual or group of individuals on the basis of religion, gender, sexual orientation, race, ethnicity, age or disability;
- c. infringes on any patent, trademark, trade secret, copyright, right of publicity or any other proprietary right of any party; or
- d. contains software viruses or any other computer code, files, or programs that are designed or intended to disrupt, damage or limit the functioning of any software, hardware, or telecommunications equipment or to damage or obtain unauthorized access to any data or other information of any third party.

We have no obligation to monitor, do not control, and are not responsible for the content of postings made by our Franchisees, their guests and others. If we become aware of posted information that is illegal, infringing upon any intellectual property rights, otherwise improper or that violates the TOU, we reserve the rights at all times to disclose any information as necessary to satisfy any law, regulation or governmental request, or to edit, refuse to post or to remove any information or materials, in whole or in part, that, in Mosquito Hunters' sole discretion, are objectionable or in violation of the TOU.

You also agree not to harvest or collect information about the users or members of this Extranet or use such information for any purpose.

The Extranet contains materials published by Mosquito Hunters (the "**Materials**"). We authorize you to copy the Materials only for the internal use of your employees in conducting your franchised Pest Hunters-Mosquito Hunters-Humbug Holiday Lighting business. No other use of the Materials is permitted. In consideration of this authorization, you agree that any copy of the Materials (or any portion of the Materials) that you make will retain all copyright and other proprietary notices contained thereon.

Spamming/Mailbombing

You may not use the Extranet to transmit unsolicited e-mail messages (whether commercial or otherwise) or deliberately send very large attachments to one recipient. Any unsolicited e-mail messages sent to 10 or more recipients, or a series of unsolicited e-mail messages or large attachments sent to one recipient, constitutes "spamming" or "mailbombing" and is prohibited. Likewise, you may not use the Extranet to collect responses from mass unsolicited e-mail messages.

Spoofing/Fraud

You may not attempt to send e-mail messages or transmit any electronic communications using a name or address of someone other than yourself for purposes of deception. Any attempt to impersonate someone else using forged headers or other identifying information is prohibited. Any attempt to fraudulently conceal, forge or otherwise falsify your identity in connection with your use of the Extranet is prohibited.

E-Mail Relay

Any use of another party's electronic mail server to relay e-mail without express permission from such other party is prohibited.

Illegal Activity

You agree to use the Extranet only for lawful purposes. Use of the Extranet for transmission, distribution, retrieval or storage of any information, data or other material in violation of any applicable law, regulation, tariff or treaty is prohibited. This includes, without limitation, the use or transmission of any data or material protected by copyright, trademark, trade secret, patent or other intellectual property right without proper authorization and the transmission of any material that constitutes an illegal threat, violates export control laws or is obscene, defamatory or otherwise unlawful.

Privacy

Any data or information submitted to or provided by us through the Extranet will be subject to any Privacy Statement that Mosquito Hunters has or may develop in the future. Any data or information submitted through the Extranet to any party or person will be transmitted at your own risk. We make no guarantee regarding, and assume no liability for, the security and privacy of any data or information you transmit via the Extranet or over the Internet (including, without limitation, data or information transmitted via any server designated as “secure”).

Excessive Usage and Inactivity Disconnects

If we have specified bandwidth limitations for your user account, we will inform you and you will not use the Extranet in excess of those limitations. Also, if you are accessing the Extranet via a dial-up connection, we may terminate your user session if you are connected for an excessive amount of time in order to protect our network resources and maintain Extranet availability for others.

You may keep your user session connected only when you are actively using the Extranet. We may disconnect your user session if there appears to be no interactive activity within a prescribed amount of time. Activity that is automatically generated by your computer system through automated programs, scripts, re-dialers, or any other software or hardware device will not be considered “interactive.” The use of any automated method to avoid inactivity disconnects or to automatically reinstate an inactive connection is prohibited.

Other Prohibited Activities

The following activities are also prohibited:

- Attempting to intercept, redirect or otherwise interfere with communications intended for others;
- Transmitting files, data or other materials containing a computer virus, corrupted data, worms, Trojan horses or other limiting routine, instruction or design that would erase data or programming or cause the Extranet or any other equipment or system to become inoperable or incapable of being used in the full manner for which it was designed;
- Using the Extranet to threaten, harass, stalk, abuse or otherwise violate the legal rights of others; and
- Any other inappropriate activity or abuse of the Extranet (as we determine in our sole discretion), whether or not specifically listed in these TOU, may result in suspension or termination of your access to and use of the Extranet.

Disclaimer

Mosquito Hunters does not promise that any software or other material will work on your computer and is not responsible if they do not. Mosquito Hunters makes no representation or warranty as to the timeliness or availability of the Extranet or the information contained therein or that the Extranet will be error-free. Mosquito Hunters has no obligation to maintain or support the Extranet and may, at its option, discontinue the Extranet at any time.

THE MATERIALS ON THIS SITE ARE PROVIDED “AS IS” AND WITHOUT EXPRESS OR IMPLIED WARRANTIES OF ANY KIND, INCLUDING WARRANTIES OF ANY KIND, EITHER EXPRESSED OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF NON-INFRINGEMENT AND THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. MOSQUITO HUNTERS DOES NOT WARRANT THAT THE INFORMATION ON OUR SITE WILL BE ACCURATE, COMPLETE, UNINTERRUPTED OR ERROR-FREE, THAT DEFECTS WILL BE CORRECTED, OR THAT THIS SITE OR THE SERVERS THAT MAKE IT AVAILABLE ARE FREE OF VIRUSES, WORMS, TROJAN HORSES OR OTHER HARMFUL COMPONENTS. MOSQUITO HUNTERS DOES NOT MAKE ANY REPRESENTATIONS REGARDING THE USE OF THE MATERIALS ON THIS SITE IN TERMS OF THEIR CORRECTNESS, ACCURACY, RELIABILITY OR OTHERWISE.

MOSQUITO HUNTERS WILL NOT BE LIABLE FOR ANY DAMAGES SUFFERED BY OR INJURY CAUSED TO ANY PARTY (INCLUDING, WITHOUT LIMITATION, YOU AND/OR YOUR EMPLOYEES), INCLUDING WITHOUT LIMITATION, ANY DIRECT, INDIRECT, SPECIAL, CONSEQUENTIAL AND/OR INCIDENTAL DAMAGES, RESULTING FROM YOUR ACCESS TO, OR INABILITY TO ACCESS, THE EXTRANET, OR FROM YOUR RELIANCE ON ANY INFORMATION PROVIDED ON THE EXTRANET, EVEN IF MOSQUITO HUNTERS AND ITS AFFILIATES HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

Indemnification

You agree to indemnify and hold harmless Mosquito Hunters and Mosquito Hunters’ corporate affiliates, as well as their respective direct and indirect owners, officers, directors, agents and employees from and against any and all claims brought by any other party relating to your use of the Extranet (as well as the associated costs of defense, including, without limitation, legal fees).

Submissions

Notes, messages, ideas, suggestions, concepts or other material submitted to Mosquito Hunters (“**Submissions**”) will be considered non-confidential and non-proprietary. Mosquito Hunters will have no obligation regarding Submissions. Mosquito Hunters and its designees will be entitled to copy, distribute, incorporate, modify and otherwise use the Submissions for any type of commercial or non-commercial use, including in any media, whether now known or not yet conceived. You agree that Mosquito Hunters has the right to publish Submissions for any type of use as outlined above, including promotional and advertising purposes.

Mosquito Hunters is not responsible for any Submissions posted on our forums. You will not submit or otherwise publish through these forums any content that:

- Defames, libels, or invades the privacy of other persons, is obscene, pornographic, abusive or threatening;
- Infringes on any intellectual property or other right of any person or entity, including, but not limited to, copyrights and trademarks;

- Violates any law;
- Advocates any illegal activity; or
- Advertises or solicits funds for goods or services.

Governing Law

This agreement shall be governed by and construed in accordance with the laws of the State of New Jersey, without regard to its conflicts of laws rules. If any provision of these TOU is unlawful, void or for any reason unenforceable, then that provision shall be deemed severable from the TOU, and shall not affect the validity and enforceability of any remaining provisions.

Your Assent to These Terms

Your use of the Extranet is subject to the conditions of this TOU and the Extranet Agreement, and is also subject to the terms and conditions in your Franchise Agreement.

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EXHIBIT E

LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. We may not yet be registered to sell franchises in any or all of these states.

If a state is not listed, we have not appointed an agent for service of process in that state in connection with the requirements of the franchise laws. There may be states in addition to those listed below in which we have appointed an agent for service of process.

There also may be additional agents appointed in some of the states listed.

CALIFORNIA

Website: www.dfpi.ca.gov

Email: ask.DFPI@dfpi.ca.gov

(for service of process)

Commissioner of Department of Financial
Protection & Innovation

(state franchise administrator)

Department of Financial Protection &
Innovation

Toll Free: 1 (866) 275-2677

Los Angeles

320 West 4th Street, Suite 750
Los Angeles, California 90013-2344
(213) 576-7500

Sacramento

651 Bannon Street, Suite 300
Sacramento, California 95811
(916) 327-7585

San Diego

1455 Frazee Road, Suite 315
San Diego, California 92108
(619) 525-4233

San Francisco

One Sansome Street, Suite 600
San Francisco, California 94104-4428
(415) 972-8559

HAWAII

(for service of process)

Commissioner of Securities
Department of Commerce
and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

(for other matters)

Commissioner of Securities
Department of Commerce
and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 205
Honolulu, Hawaii 96813
(808) 586-2722

ILLINOIS

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

INDIANA

(for service of process)

Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6531

(state agency)

Indiana Secretary of State
Securities Division
Room E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

MARYLAND

(for service of process)

Maryland Securities Commissioner
at the Office of Attorney General-
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

(state agency)

Office of the Attorney General-
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

MICHIGAN

Michigan Department of Attorney General
Corporate Oversight Division
525 W. Ottawa Street
G. Mennen Williams Building, 5th Floor
Lansing, Michigan 48913
(517) 335-7567

MINNESOTA

Commissioner of Commerce
Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1500

NEW YORK

(for service of process)

Attention: New York Secretary of State
New York Department of State
One Commerce Plaza,
99 Washington Avenue, 6th Floor
Albany, New York 12231-0001
(518) 473-2492

(Administrator)

NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, New York 10005
(212) 416-8236

NORTH DAKOTA

(for service of process)

Insurance Commissioner
North Dakota Insurance & Securities
Department
600 East Boulevard Avenue, Dept. 401
Bismarck, North Dakota 58505
(701) 328-2910

(state agency)

North Dakota Insurance & Securities
Department
600 East Boulevard Avenue, Dept. 401
Bismarck, North Dakota 58505
(701) 328-2910

OREGON

Oregon Division of Financial Regulation
350 Winter Street NE, Suite 410
Salem, Oregon 97301
(503) 378-4140

RHODE ISLAND

Securities Division
Department of Business Regulations
1511 Pontiac Avenue
John O. Pastore Complex-Building 69-1
Cranston, Rhode Island 02920
(401) 462-9500

SOUTH DAKOTA

Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-3563

VIRGINIA

(for service of process)

Clerk, State Corporation Commission
1300 East Main Street
First Floor
Richmond, Virginia 23219
(804) 371-9733

(for other matters)

State Corporation Commission
Division of Securities and Retail Franchising
Tyler Building, 9th Floor
1300 East Main Street
Richmond, Virginia 23219
(804) 371-9051

WASHINGTON

(for service of process)

Securities Division
Department of Financial Institutions
150 Israel Road SW
Tumwater, Washington 98501
(360) 902-8760

(for other matters)

Securities Division
Department of Financial Institutions
P. O. Box 41200
Olympia, Washington 98504-1200
(360) 902-8760

WISCONSIN

(for service of process)

Administrator, Division of Securities
Department of Financial Institutions
4822 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-2139

(state administrator)

Division of Securities
Department of Financial Institutions
4822 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-9555

EXHIBIT F

OPERATIONS MANUAL TABLE OF CONTENTS

Mosquito Hunters, LLC
Operations Manual Table of Contents

Manual	Number of Chapters	Number of Pages
Financial Vocabulary Booklet	1	16
Holiday Lighting Playbook	11	86
Marketing Playbook	5	83
People Playbook	3	67
Pest Control Playbook	11	64
Sales Playbook	17	154
Strategic Growth Coaching Materials	4	20
Total Number of Pages:		490

EXHIBIT G

LIST OF CURRENT FRANCHISEES

LIST OF CURRENT STRATEGIC-PARTNERS AS OF DECEMBER 31, 2025

Name	Territory Name	Address	City	State	Zip Code	Phone Number
ARKANSAS						
Darren Moore & Susan Moore	Maumelle-West Little Rock-Conway	114 Hibiscus Drive	Maumelle	Arkansas	72113	(501) 483-7375
COLORADO						
Bradley Goins	Broomfield	30498 S 4390 Road	Vinita	Oklahoma	74301	(970) 690-4003
Bradley Goins	Loveland- Fort Collins	30498 S 4390 Road	Vinita	Oklahoma	74301	(970) 690-4003
FLORIDA						
Matiel Buchnik	South Pompano Beach	530 Nw 46th Street Boca Raton 33431	Boca Raton	Florida	33428	(561) 270-6422
Matiel Buchnik	North Pompano Beach-Deerfield Beach-South Boca Raton	9848 Grand Verde Way, APT. # 1116	Boca Raton	Florida	33428	(561) 270-6422
Matiel Buchnik	North Boca Raton-Delray Beach	9848 Grand Verde Way, APT. # 1116	Boca Raton	Florida	33428	(561) 270-6422
Christopher Piercy	Cape Coral	2132 SE 20th Place	Cape Coral	Florida	33990	(239) 675-3322
Christopher Piercy	Fort Myers	2132 SE 20th Place	Cape Coral	Florida	33990	(239) 675-3322
Richard Brooks	Clearwater-Dunedin-Palm Harbor	1514 Walnut Street	Clearwater	Florida	33755	(727) 215-2475
Richard Brooks	Land O'Lakes-Lutz-Carrollwood	1514 Walnut Street	Clearwater	Florida	33755	(727) 215-2475
Joshua Ambrose	Saint Augustine-Saint Johns	120 Snowbell Court	Saint Augustine	Florida	32095	(904) 800-1585
Joshua Ambrose	Jacksonville South-The Beaches	120 Snowbell Court	Saint Augustine	Florida	32095	(904) 800-1585

Name	Territory Name	Address	City	State	Zip Code	Phone Number
Joshua Ambrose	North Jacksonville-Fernandina Beach-Amelia Island	120 Snowbell Court	Saint Augustine	Florida	32095	(904) 800-1585
Bobby Lubrido	Spring Hill-Brooksville-New Port Richey	12285 Fuller St	Spring Hill	Florida	34608	(407) 766-8741
Donald Myers	East Jacksonville	East Jacksonville 553 Convex Lane	St Augustine	Florida	32095	(904) 788-9049
Matt Rearden	SW Orlando-Clermont-Winter Garden	9509 Hempel Cove Blvd	Windermere	Florida	34786	(407) 620-2676
Matt Rearden	NW Orlando-Apopka-Ocoee	9509 Hempel Cove Blvd	Windermere	Florida	34786	(407) 620-2676
GEORGIA						
Stephen Green	Dacula-Winder-Jefferson	470 Melvin Drive	Jefferson	Georgia	30549	(706) 338-9342
Stephen Green	Alpharetta	470 Melvin Drive	Jefferson	Georgia	30549	(706) 338-9342
Matthew Obelgoner Lauren Obelgoner	Macon-Greensboro-Milledgeville	(407) 766-8741962 Dennis Station RD	Eatonton	Georgia	31024	(478) 972-6805
Chanise M.R.Price Marcus L. Price	Powder Springs-Kennesaw	2795 Carrick Court	PowderSprings	Georgia	30127	(678) 521-4897
Chanise M.R.Price Marcus L. Price	Buckhead-Sandy Springs	2795 Carrick Court	PowderSprings	Georgia	30127	(678) 521-4897
H. Scott Cole	Athens-Loganville-Monroe	1051 Sherwood Drive	Watkinsville	Georgia	30677	(706) 310-5145
ILLINOIS						
Douglas C. Thompson	Metro East	7009 Stallion Drive	Edwardsville	Illinois	62025	(636) 209-2747
Ahmad Abdeljawad	Downers Grove-Glen Ellyn	2S641 Briar Cliff Ct.	Lombard	Illinois	60148	(630) 730-6101
Ahmad Abdeljawad	East Aurora-North Naperville	2S641 Briar Cliff Ct.	Lombard	Illinois	60148	(630) 730-6101
Ahmad Abdeljawad	Bolingbrook-South Naperville	2S641 Briar Cliff Ct.	Lombard	Illinois	60148	(630) 730-6101

Name	Territory Name	Address	City	State	Zip Code	Phone Number
INDIANA						
Gabriel Salmeron	Carmel-Fishers	10952 Woodward Drive	Fishers	Indiana	46037	(317) 712-0872
IOWA						
Brian Meidlinger	Cedar Rapids	375 Whitman Avenue	North Liberty	Iowa	52317	(319) 440-7644
Brian Meidlinger	Iowa City	375 Whitman Avenue	North Liberty	Iowa	52317	(319) 440-7644
LOUISIANA						
Cindy Hostbjor	Lafayette	416 Gordon Crocket Drive	Lafayette	Louisiana	70508	(337) 962-2017
Jerry Horton & Pam Horton	Shreveport-Bossier City-Haughton	372 Old Highway 80 Road	Minden	Louisiana	71055	(318) 382-5118
Jerry Horton & Pam Horton	Monroe-West Monroe-Calhoun-Ruston	372 Old Highway 80 Road	Minden	Louisiana	71055	(318) 382-5118
Geoffrey Coyle & Elizabeth Coyle	Lake Charles-Sulphur	1401 East St	Vinton	Louisiana	70668	(337) 546-3895
MARYLAND						
Benjamin Ludwig Robert L. Ludwig Jr.	Bel Air-Forest Hill-Havre De Grace	406 South Tollgate Road	Bel Air	Maryland	21014	410-836-8014
Benjamin Ludwig Robert L. Ludwig Jr.	Timonium-Fallston-Cockeysville	406 South Tollgate Road	Bel Air	Maryland	21014	410-836-8014
Chaz Robinson	Columbia-Ellicott City	11674 Little Patuxent Pkwy Unit 301	Columbia	Maryland	21044	(443) 315-7113
Cristina Marie Hill & Roy Hill	Frederick-Hagerstown	9527 Dumbarton Drive	Hagerstown	Maryland	21740	(240) 347-9819
Brian Doub	Annapolis-Arnold-Edgewater	769 Robin Hood Hill	Sherwood Forest	Maryland	21405	(410) 758-7161
Brian Doub	Bowie-Odenton-Crofton	769 Robin Hood Hill	Sherwood Forest	Maryland	21405	(410) 758-7161
MASSACHUSETTS						
Brian Rojik	Marshfield-Hingham-Scituate	124 Mann Hill Road	Scituate	Massachusetts	02066	(781) 783-5895
Brian Rojik	Brockton-Attleboro-Taunton	124 Mann Hill Road	Scituate	Massachusetts	02066	(781) 783-5895
Stephen Ferraro	Norfolk-Franklin-Walpole	319 Lincoln Road	Walpole	Massachusetts	02081	(781) 298-5024

Name	Territory Name	Address	City	State	Zip Code	Phone Number
MICHIGAN						
Francesca Pierzecki & Mark R. Pierzecki	Plymouth-Livonia-Canton	7421 Oakmont Drive	Canton Township	Michigan	48187	(734) 822-9484
Francesca Pierzecki & Mark R. Pierzecki	Northville-Farmington- Novi	7421 Oakmont Drive	Canton Township	Michigan	48187	(734) 822-9484
Bethany S. Willis & Charles F. Willis	East Grand Rapids-Rockford-Forest Hills	4920 Plainfield Ave NE Suite A	Grand Rapids	Michigan	49525	(616) 236-3050
Bethany S. Willis & Charles F. Willis	East Grand Rapids-Byron Center-Caldonia	4981 Plainfield Ave NE Suite D	Grand Rapids	Michigan	49525	(616) 236-3050
Bryan Fredrick	Holland – Hudsonville	4350 64th St	Holland	Michigan	49423	(616) 566-0800
Bryan Fredrick	Muskegon – Grand Haven	4350 64th St	Holland	Michigan	49423	(616) 566-0800
David Jeffrey Harrell	Troy-Sterling Heights	1936 Kirkton Drive	Troy	Michigan	48083	(248) 825-6267
MISSOURI						
Anika Krazer & Jason Krazer	Chesterfield-Ballwin-Ladue	3969B West Outer Road	Arnold	Missouri	63010	(314) 249-3974
Douglas C. Thompson	Kirkwood-Webster Groves -South County	7009 Stallion Drive Edwardsville, Illinois	Kirkwood	Missouri	62025	(636) 209-2747
Kenneth Freshley	O'Fallon	1350 Pegasus Trail	Saint Peters	Missouri	63376	(636) 248-7880
Kenneth Freshley	St. Peters	1350 Pegasus Trail	Saint Peters	Missouri	63376	(636) 248-7880
NEW JERSEY						
Jessica Bellwoar & Sheila C. Bellwoar	Collingswood-Cherry Hill East-Blackwood	733 Champion Ave	Collingswood	New Jersey	08107	(856) 477-3430
Todd Thomas	Vernon Township-Sparta-Mahwah	311 Hemlock Drive	Highland Lakes	New Jersey	07422	(973) 387-5666
Scott Lantzman & Zanna Lantzman	Livingston-Short Hills-The Oranges	11 Rockhill Drive	Livingston	New Jersey	07039	(856) 677-8480
Scott Lantzman & Zanna Lantzman	Parsippany Area-The Caldwell-Montclair	11 Rockhill Drive	Livingston	New Jersey	07039	(856) 677-8480

Name	Territory Name	Address	City	State	Zip Code	Phone Number
Joshua Corle	Eastern Ocean County	19 St. Mary Avenue	Manahawkin	New Jersey	08050	(732) 330-1154
John C. Tuohy	Old Bridge-Marlboro-Holmdel	308 Wembley Place	Morganville	New Jersey	07052	(732) 523-0847
Janelle Alcime & Larry Alcime	Bloomfield-Nutley-Englewood	3 Summit St	West Orange	New Jersey	07052	(973) 498-8566
Janelle Alcime & Larry Alcime	Paramus-Ridgewood-Teaneck	3 Summit St	West Orange	New Jersey	07052	(973) 498-8566
Allison P. McWilliams & Mary K. Guarino	Cherry Hill-Riverton-Mount Laurel	1067 Chelsea Way	Collegeville	Pennsylvania	19426	(215) 850-8786
NEW YORK						
Deana Caraballo Peter Caraballo	East Islip-Ronkonkoma-Blue Point	518 Walnut Avenue	Bohemia	New York	11716	(631) 624-1950
Jose Alvarado Jernise Alvarado	Long Beach-Oceanside-West Hempstead	226 Nichols Ave	Brooklyn	New York	11208	(917) 635-7335
Jose Alvarado Jernise Alvarado	South Queens-Elmont-Valley Stream	226 Nichols Ave	Brooklyn	New York	11208	(917) 635-7335
Anthony Mark Scheeda	South Buffalo	10225 Main St. Suite 6	Clarence	New York	14031	(716) 407-3230
Anthony Mark Scheeda	North Buffalo	10225 Main St. Suite 6	Clarence	New York	14031	(716) 407-3230
Steven Gurin	Mineola-Great Neck-Port Washington	521 Dewitt Ave	North Babylon	New York	11703	(516) 373-1385
Steven Gurin	Glen Cove-Oyster Bay-Jericho	521 Dewitt Ave	North Babylon	New York	11703	(516) 373-1385

Name	Territory Name	Address	City	State	Zip Code	Phone Number
Roselyn Sansone & Thomas Sansone	Pittsford-Fairport-Webster	221 Leicestershire Rd	Rochester	New York	14621	(585) 748-3221
Derek Babel	Southern Westchester County-White Plains-Pleasantville	113 Halyan Road	Yorktown Heights	New York	10598	(914) 240-0244
Derek Babel	New Rochelle-Pelham-Scarsdale	113 Halyan Road	Yorktown Heights	New York	10598	(914) 240-0244
NORTH CAROLINA						
Jeff Jordan	West Charlotte-Mount Holly	3254 16th Street NE	Hickory	North Carolina	28601	(704) 617-9425
Jeff Jordan	Hickory-Gastonia	3254 16th Street NE	Hickory	North Carolina	28601	(704) 617-9425
Jeff Jordan	Charlotte North	3254 16th Street NE	Hickory	North Carolina	28601	(704) 617-9425
Jeff Jordan	Charlotte South	3254 16th Street NE	Hickory	North Carolina	28601	(704) 617-9425
Richard Troy Rice	Fayetteville-Hope Mills-Raeford	5551 Heather Street	Hope Mills	North Carolina	28348	(910) 583-6493
Shanyn Wolfe	New Bern-Greenville-Winterville	909 Rountree Street	Kinston	North Carolina	28501	(252) 288-1492
OHIO						
Ted Mitchell & Pamela Mitchell	Liberty Townshuip-Fairfield Mason	5217 Elk Creek Rd	Middletown	Ohio	45042	(513) 468-0114
Ted Mitchell & Pamela Mitchell	Middletown-Lebanon-Springboro	5217 Elk Creek Rd	Middletown	Ohio	45042	(513) 468-0114
Ted Mitchell & Pamela Mitchell	South Dayton-Miamisburg-Bellbrook	5217 Elk Creek Rd	Middletown	Ohio	45042	(513) 468-0114
John Lewis	Northwest Columbus-Hillard-West Dublin	435 Darbyton Drive	Plain City	Ohio	43064	(740) 604-1971
John Lewis	Northeast Columbus-Powell-East Dublin	435 Darbyton Drive	Plain City	Ohio	43064	(740) 604-1971

Name	Territory Name	Address	City	State	Zip Code	Phone Number
Thomas Vennon	Pickerington-Reynoldsburg-Canal Winchester	10035 Circle Drive	Pickerington	Ohio	43147	(614) 295-3181
Norman Hainer Jr.	North Ridgeville-North Olmsted-Westlake	3132 Creekside Dr	Westlake	Ohio	44145	(412) 334-2172
Norman Hainer Jr.	Cleveland-Lakewood-Beachwood	3132 Creekside Dr	Westlake	Ohio	44145	(412) 334-2172
PENNSYLVANIA						
Allison P. McWilliams & Mary K. Guarino	Doylestown	1067 Chelsea Way	Collegeville	Pennsylvania	19426	(215) 850-8786
Allison P. McWilliams & Mary K. Guarino	New Hope-Churchville-Upper Makefield Township	1067 Chelsea Way	Collegeville	Pennsylvania	19426	(215) 850-8786
Ryan Tecco	Havertown-Springfield-Drexel Hill	3212 Sawmill Road	Newtown Square	Pennsylvania	19073	(610) 773-1789
Ryan Tecco	Wayne-Malvern-Blue Bell	3212 Sawmill Road	Newtown Square	Pennsylvania	19073	(610) 773-1789
Chyvonne Shackelford	Willow Grove-Fort Washington-Huntingdon Valley	1607 Roumfort Road	Philadelphia	Pennsylvania	19150	(215) 867-5565
SOUTH CAROLINA						
Agostino Villani	Hilton Head-Beaufort	10 Charlesfort Place	Hilton Head Island	South Carolina	29926	(843) 301-1159
Agostino Villani	Savannah-Richmond Hill-Pooler	10 Charlesfort Place	Hilton Head Island	South Carolina	29926	(843) 301-1159
Denise Gordin Heather Prather Herman Ross Prather III	Simpsonville-Mauldin	1440 Burdette Rd	Gray Court	South Carolina	29645	(864) 551-0817
Regina I. Lopez Jamie Lopez	Greenville-Easley-Piedmont	9 E Cleveland Bay Court	Greenville	South Carolina	29615	(321) 367-8149

Name	Territory Name	Address	City	State	Zip Code	Phone Number
Regina I. Lopez Jamie Lopez		9 E Cleveland Bay Court	Greenville	South Carolina	29615	(321) 367-8149
Michael Saunders	Myrtle Beach	1519 Swing Bridge Way	Myrtle Beach	South Carolina	29588	(843) 780-0829
Jesus Martinez	Spartanburg	204 Bishop Road	Pauline	South Carolina	29374	(864) 670-8999
SOUTH DAKOTA						
Robert Hoffman Karen Hoffman	Sioux Falls- Watertown- Mitchell	520 Prairie Avenue	Tea	South Dakota	57064	(605) 359-0141
TENNESSEE						
Collin Smith Emily Smith	Cordova- Collierville- Germantown	555 Grand Steeple Drive	Collierville	Tennessee	38017	(901) 557-0484
Brian Fuqua	Murfreesboro- Mount Juliet- Smyrna	119 Whittle Ct	Murfreesboro	Tennessee	37128	(615) 380-1085
Aneal Roney	Clarksville- West Nashville- Dickson	4924 Louise Creek Rd	Cunningham	Tennessee	30752	(931) 534-7378
Aneal Roney	Nashville- Franklin- Brentwood	4924 Louise Creek Rd	Cunningham	Tennessee	30752	(931) 534-7378
TEXAS						
Mark Gray	Pearland- Friendswood	213 McKeever Rd. Unit A	Arcola	Texas	77583	(346) 375-9767
Mark Gray	Missouri City	213 McKeever Rd. Unit A	Arcola	Texas	77583	(346) 375-9767
Mark Gray	Sugar Land	213 McKeever Rd. Unit A	Arcola	Texas	77583	(346) 375-9767
David Lundquist	Central Austin	3929 Knollwood Drive	Austin	Texas	78731	(512) 957-8211
David Lundquist	Round Rock- Pflugerville	3929 Knollwood Drive	Austin	Texas	78731	(512) 957-8211
Lauren Harris	Corpus Christi	15518 Finistere Street	Corpus Christi	Texas	78418	(361) 271-4585
Adam Moore & Nagisa Sumida	Texoma	4576 Preston Rd	Denison	Texas	75020	(903) 286-7025
Casey Giourgas & Courtney Giourgas	Denton- Aubrey-Lake Dallas	1704 Merrywood Way	Gainesville	Texas	76240	(469) 783-7766
Shuqin Wei Tyson Ang	Cedar Park- Leander- Georgetown	110 Bluehaw Dr	Georgetown	Texas	78628	(512) 387-3870
James Tomberlin	South Katy	26511 Rosehearth Court	Katy	Texas	77494	(832) 584-7998
Sasoon Tahmassian & Robert Vera	North Katy- West Cypress	2822 Firecrest Drive	Katy	Texas	77494	(832) 418-8511

Name	Territory Name	Address	City	State	Zip Code	Phone Number
Sean Nieto	Kyle-Buda-San Marcos	108 Steel Lake Drive	Kyle	Texas	78640	(512) 230-1065
Sean Nieto	Southwest Austin-Barton Creek-Bee Cave	108 Steel Lake Drive	Kyle	Texas	78640	(512) 230-1065
Sean Nieto	Southeast Austin-Bastrop-Cedar Creek	108 Steel Lake Drive	Kyle	Texas	78640	(512) 230-1065
Daniel Ostrow	Lewisville-Flower Mount-Argyle	405 State Highway 121, Suite A250	Lewisville	Texas	75067	(469) 783-7766
Jennifer Lindsey & Ross Lindsey	Southlake-Grapevine-East Keller	832 Columbia Ct.	Mansfield	Texas	76063	(817) 287-1441
Jennifer Lindsey & Ross Lindsey	North Richland Hills-Bedford-Colleyville	832 Columbia Ct.	Mansfield	Texas	76063	(817) 287-1441
Matthew Penaranda & Cody Hunter	Galveston County	10617 Hanselman Rd	Manvel	Texas	77578	(832) 738-0012
Juan Rivas	East Frisco-McKinney	8700 Autumn Lake Trail	McKinney	Texas	75071	(469) 534-0006
Edgardo Ramirez	East Tomball-Klein	24315 Pencester Street	Spring	Texas	77389	(281) 715-9585
Edgardo Ramirez	North Spring-Conroe-Humble	24315 Pencester Street	Spring	Texas	77389	(281) 715-9585
Edgardo Ramirez	The Woodlands-West Spring	24315 Pencester Street	Spring	Texas	77389	(281) 715-9585
Josh Davies	North Conroe-Montgomery-Magnolia	14715 Antares Dr	Willis	Texas	77318	(713) 614-4745
Hamdi Sheriff Rizki Salma	West Houston-Bellaire	9322 Olathe Street	Houston	Texas	77055	(713) 352-7690
Hamdi Sheriff Rizki Salma	Mission-Foster-Pecan Grove	9322 Olathe Street	Houston	Texas	77055	(713) 352-7690

Name	Territory Name	Address	City	State	Zip Code	Phone Number
Courtney Goss	South Houston-Pasadena-La Porte	4426 Sterling Street	Houston	Texas	77051	(281) 666-4219
Steve Brock	Tyler-Palestine	612 W. 3rd	Tyler	Texas	75701	(903) 630-1172
UTAH						
Richard Charles Howes	Layton-Kaysville-Farmington	1523 West Pheasant Meadow Dr	Kaysville	Utah	84037	(801) 678-6308
VIRGINIA						
Greg Neiderer	Ashburn-Leesburg	44605 York Crest Terrace Unit 301	Ashburn	Virginia	20147	(703) 966-6178
Christopher Von Esch	Fairfax-Vienna-Chantilly	4217 Newport Drive	Chantilly	Virginia	20151	(585) 704-5162
WISCONSIN						
Kyle Wagner	Janesville-Beloit-Verona	290 Ridgeview Drive	Lake Mills	Wisconsin	53551	(608) 516-3832
Kyle Wagner	Madison-Middleton-Deforest	290 Ridgeview Drive	Lake Mills	Wisconsin	53551	(608) 516-3832

**FRANCHISE AGREEMENTS SIGNED –
NOT YET OPERATIONAL AS OF DECEMBER 31, 2025**

Name	Territory Name	Address	City	State	Zip Code	Phone Number
Danielle DiMarco Carla Camino	Salisbury-Easton-Rehoboth Beach	18235 Fairway Drive	Rehoboth Beach	Delaware <i>[Maryland Territory]</i>	19971	(609) 805-2160
Ryan Taft	Plymouth-Livonia-Canton	461 West Rose Ave.	Garden City	Michigan	48135	(313) 909-0788
Ryan Taft	Northville-Farmington-Novi	461 West Rose Ave.	Garden City	Michigan	48135	(313) 909-0788
Ryan Taft	North Bloomfield Hills-West Bloomfield-Walled Lake	461 West Rose Ave.	Garden City	Michigan	48135	(313) 909-0788
Timothy Costigan	Mineola-Great Neck-Port Washington	514 Summit Ave	Baldwin	New York	11510	(516) 369-0401

Name	Territory Name	Address	City	State	Zip Code	Phone Number
Timothy Costigan	Glen Cove-Oyster Bay-Jericho	514 Summit Ave	Baldwin	New York	11510	(516) 369-0401
Howard Steele	Fort Mill-Lancaster-Rockhill	7338 Twelve Mile Creek Road	Lancaster	South Carolina	29720	(704) 843-7401

EXHIBIT H
LIST OF FORMER FRANCHISEES

H-1

TRANSFERS AND TERMINATIONS AS OF DECEMBER 31, 2025

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

Name	Territory Name	Address	City	State	Zip Code	Phone Number
Florida						
Matiel Buchnik <i>Transfer</i>	South Pompano Beach	530 Nw 46th Street Boca Raton 33431	Boca Raton	Florida	33428	(561) 270-6422
Matiel Buchnik <i>Transfer</i>	North Pompano Beach-Deerfield Beach-South Boca Raton	9848 Grand Verde Way, APT. # 1116	Boca Raton	Florida	33428	(561) 270-6422
Matiel Buchnik <i>Transfer</i>	North Boca Raton-Delray Beach	9848 Grand Verde Way, APT. # 1116	Boca Raton	Florida	33428	(561) 270-6422
Donald Myers <i>Transfer</i>	East Jacksonville	553 Convex Lane	St Augustine	Florida	32095	(904) 788-9049
Georgia						
Chanise M.R.Price Marcus L. Price <i>Transfer</i>	Alpharetta	2795 Carrick Court	PowderSprings	Georgia	30127	(678) 521-4897
Illinois						
Douglas C. Thompson <i>Transfer</i>	Metro East	7009 Stallion Drive Edwardsville, Illinois	Kirkwood	Missouri	62025	(636) 209-2747
Michigan						
Bryan Fredrick <i>Transfer</i>	Holland – Hudsonville	4350 64th St	Holland	Michigan	49423	(616) 566-0800
Bryan Fredrick <i>Transfer</i>	Muskegon – Grand Haven	4350 64th St	Holland	Michigan	49423	(616) 566-0800
Mississippi						
Tami Berger William M. Berger Jr. <i>Termination</i>	Gulfport-Diamondhead-Picayune	49 Cary Kirkland Road	Poplarville	Mississippi	39470	(678) 575-1834
Tami Berger William M. Berger Jr. <i>Termination</i>	Gulfport-Diamondhead-Picayune	49 Cary Kirkland Road	Poplarville	Mississippi	39470	(678) 575-1834
Missouri						
Douglas C. Thompson <i>Transfer</i>	Kirkwood-Webster Groves-South County	7009 Stallion Drive Edwardsville, Illinois	Kirkwood	Missouri	62025	(636) 209-2747

Name	Territory Name	Address	City	State	Zip Code	Phone Number
New Jersey						
Scott Lantzman & Zanna Lantzman <i>Transfer</i>	Livingston-Short Hills-The Oranges	11 Rockhill Drive	Livingston	New Jersey	07039	(856) 677-8480
Scott Lantzman & Zanna Lantzman <i>Transfer</i>	Parsippany Area-The Caldwells-Montclair	11 Rockhill Drive	Livingston	New Jersey	07039	(856) 677-8480
New York						
Alicia Harkins & Andrew Triolo <i>Termination</i>	Hunting-Green Lawn-Elwood	43 Edgewood Road	West Islip	New York	11795	(631) 848-1878
Alicia Harkins & Andrew Triolo <i>Termination</i>	Northport-Commack-Nesconset	43 Edgewood Road	West Islip	New York	11795	(631) 848-1878
Texas						
David Lundquist <i>Transfer</i>	Central Austin	3929 Knollwood Drive	Austin	Texas	78731	(512) 957-8211
David Lundquist <i>Transfer</i>	Round Rock-Pflugerville	3929 Knollwood Drive	Austin	Texas	78731	(512) 957-8211
Casey Giourgas & Courtney Giourgas <i>Transfer</i>	Denton-Aubrey-Lake Dallas	1704 Merrywood Way	Gainesville	Texas	76240	(469) 783-7766
James Tomberlin <i>Transfer</i>	South Katy	26511 Rosehearth Court	Katy	Texas	77494	(832) 541-7295
Wisconsin						
Jeremy & Megan Mittlestadt <i>Termination</i>	Chippewa Valley	N8105 County Road K	Boyceville	Wisconsin	54725	(715) 556-2483

EXHIBIT I
FINANCIAL STATEMENTS

LD Parent, Inc.

Consolidated Financial Statements

**As of and for the Years Ended December 31, 2025
and 2024**

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



LD Parent, Inc.

Consolidated Financial Statements

As of and for the Years Ended December 31, 2025 and 2024

LD Parent, Inc.

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Independent Auditor's Report

Board of Directors
LD Parent, Inc.
Holmdel, New Jersey

Opinion

We have audited the consolidated financial statements of LD Parent, Inc. and its Subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

BDO USA, P.C.

March 17, 2026

Consolidated Financial Statements

LD Parent, Inc.

Consolidated Balance Sheets

December 31,	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,191,903	\$ 4,604,289
Receivables from franchisees, current portion, net	2,999,235	2,835,331
Inventories, net	1,724,513	2,268,849
Prepaid expenses and other current assets	951,320	678,375
Total current assets	9,866,971	10,386,844
Non-current assets:		
Property, plant and equipment, net	2,563,340	2,135,933
Right-of-use assets, net	884,399	1,155,282
Intangible assets, net	35,872,741	38,237,677
Goodwill	40,360,774	38,879,416
Receivables from franchisees, net of current portion	2,109,007	2,089,910
Prepaid commissions	6,212,904	5,778,198
Other assets	62,786	55,786
Total non-current assets	88,065,951	88,332,202
Total assets	\$ 97,932,922	\$ 98,719,046
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 4,117,809	\$ 3,643,733
Current portion of lease obligations	319,139	320,560
Deferred revenue	1,453,172	1,253,940
Advertising funds	2,172,357	1,285,911
Franchisee deposits	1,771,125	1,997,925
Other current liabilities	347,535	319,127
Total current liabilities	10,181,137	8,821,196
Non-current liabilities:		
Long-term debt, net	29,489,500	29,487,668
Related party notes	18,000,000	18,000,000
Deferred income taxes, net	5,512,574	6,395,342
Deferred revenue, net of current portion	8,666,434	7,433,248
Lease obligations, net of current portion	565,260	834,722
Other non-current liabilities	432,505	409,194
Total non-current liabilities	62,666,273	62,560,174
Total liabilities	72,847,410	71,381,370
Commitments and contingencies		
Stockholders' equity:		
Parent Capital	25,529,281	27,350,161
Total LD Parent, Inc. stockholders' equity	25,529,281	27,350,161
Non-controlling interest	(443,769)	(12,485)
Total stockholders' equity	25,085,512	27,337,676
Total liabilities and stockholders' equity	\$ 97,932,922	\$ 98,719,046

See accompanying notes to the consolidated financial statements.

LD Parent, Inc.

Consolidated Statements of Operations

Years Ended December 31,	2025	2024
Net Revenues:		
Operating revenues	\$ 42,841,245	\$ 39,569,188
Initial franchise fees	4,118,089	4,655,248
Interest, service charges and other income	873,664	1,039,616
Total net revenues	47,832,998	45,264,052
Costs and expenses:		
Operating and training	7,586,929	4,631,926
Manufacturing	3,612,005	4,984,988
Selling, general and administrative	25,868,210	25,143,559
Total expenses	37,067,144	34,760,473
Income from operations	10,765,854	10,503,579
Other expense (income):		
Loss (gain) on disposal of assets	27,487	(4,268)
Interest expense, net	5,719,765	5,899,759
Income before income taxes	5,018,602	4,608,088
Income taxes:		
Income tax expense	(1,607,871)	(1,479,125)
Consolidated net income	3,410,731	3,128,963
Less: Net loss attributable to the non-controlling interest	(359,157)	(258,573)
Net income attributable to LD Parent, Inc.	\$ 3,769,888	\$ 3,387,536

See accompanying notes to the consolidated financial statements.

LD Parent, Inc.

Consolidated Statements of Changes in Stockholders' Equity

	Parent Capital	Non- controlling interest	Total Stockholders' Equity
Balance, December 31, 2023	\$ 29,765,383	\$ 246,088	\$ 30,011,471
Parent distributions	(5,800,000)	—	(5,800,000)
Loss on foreign currency translation	(2,758)	—	(2,758)
Net income (loss)	3,387,536	(258,573)	3,128,963
Balance, December 31, 2024	\$ 27,350,161	\$ (12,485)	\$ 27,337,676
Parent distributions	(4,575,132)	—	(4,575,132)
Repurchase of stock	(1,185,606)	(72,127)	(1,257,733)
Stock-based compensation expense	161,742	—	161,742
Gain on foreign currency translation	8,228	—	8,228
Net income (loss)	3,769,888	(359,157)	3,410,731
Balance, December 31, 2025	\$ 25,529,281	\$ (443,769)	\$ 25,085,512

See accompanying notes to the consolidated financial statements.

LD Parent, Inc.

Consolidated Statements of Cash Flows

Years Ended December 31,	2025	2024
Cash flows from operating activities:		
Consolidated net income	\$ 3,410,731	\$ 3,128,963
Adjustments to reconcile consolidated net income to net cash flows provided by operating activities:		
Provision for credit losses	284,957	360,642
Depreciation and leasehold improvement amortization	288,548	250,106
Amortization	2,364,936	2,364,022
Amortization of right-of-use asset	330,028	302,341
Deferred income taxes	(882,768)	(807,140)
Loss on disposal of assets	27,487	—
Stock based compensation	161,742	—
Amortization of debt issuance costs	1,832	21,989
Amortization of deferred financing costs	125,625	—
Changes in operating assets and liabilities:		
Receivables from franchisees	(467,958)	103,598
Inventories	568,812	447,297
Prepaid commission	(434,706)	(1,565,346)
Prepaid expenses and other current assets	(180,502)	433,478
Other assets	(7,000)	—
Accounts payable and accrued expenses	474,076	(93,401)
Deferred revenue	1,432,418	1,176,809
Advertising funds	886,446	8,059
Franchisee deposits	(226,800)	1,336,810
Other current liabilities	28,408	(148,814)
Other liabilities	31,539	29,676
Lease obligations	(330,028)	(302,341)
Net cash flows provided by operating activities	7,887,823	7,046,748
Cash flows from investing activities:		
Proceeds from sale of property and equipment	—	4,268
Purchases of intangible assets	—	(40,814)
Purchases of property, plant and equipment	(506,609)	(89,381)
Acquisition of a business	(1,742,667)	(50,000)
Net cash flows used in investing activities	(2,249,276)	(175,927)
Cash flows from financing activities:		
Cash amounts paid for debt issuance	(218,068)	—
Parent distributions	(4,575,132)	(5,800,000)
Repurchase of stock	(1,257,733)	—
Net cash flows used in financing activities	(6,050,933)	(5,800,000)
Net (decrease) increase in cash and cash equivalents	(412,386)	1,070,821
Cash and cash equivalents, beginning of period	4,604,289	3,533,468
Cash and cash equivalents, end of period	\$ 4,191,903	\$ 4,604,289
Supplemental cash flow information:		
Interest paid	\$ 5,591,000	\$ 5,876,271
Income taxes paid	2,624,756	2,209,470
Cash paid for amounts included in the measurement of operating lease obligations	400,758	388,640
Non-cash investing and financing activities:		
Initial recognition of right-of-use asset	59,145	143,251

See accompanying notes to the consolidated financial statements.

LD Parent, Inc.

Notes to Consolidated Financial Statements

1. Nature of the Business

LD Parent, Inc. (the “Company” or “LD Parent”) through its wholly-owned subsidiary Lawn Doctor, Inc., grants franchises to conduct lawn care/conditioning, tree/shrub care and pest control businesses throughout the United States, consisting of the sale of services and products authorized by the Company. As of December 31, 2025 and 2024, CNL Strategic Capital, LLC owns approximately 61% of LD Parent and the remaining 39% is owned by various related parties of LD Parent.

On April 20, 2018, the Company acquired a controlling interest in Mosquito Hunters, LLC (“Mosquito Hunters”). The Company has been able to expand their services in the pest industry as a result of this acquisition. As the Company has a controlling interest, the Company consolidates Mosquito Hunters in its consolidated financial statements.

On May 24, 2019, the Company acquired a controlling interest in Ecomaid LLC (“Ecomaid”), a franchisor of residential cleaning services. Ecomaid specializes as an innovator of environmentally responsible, non-toxic residential cleaning services for families throughout the United States. The Company believes this acquisition furthers its strategy of both growing organically and also through the acquisition of additional home service brands. The Company has been able to expand their services in the home cleaning as a result of this acquisition. As the Company has a controlling interest, the Company consolidates Ecomaid in its consolidated financial statements.

On October 7, 2022, the Company acquired a controlling interest in Elite Window Cleaning, Inc. (“Elite”), a Canadian based operator and franchisor offering window cleaning, gutter cleaning and power washing services to residential and commercial customers. Elite uses a unique approach, which virtually eliminates the need for ladders on residential and low-rise commercial jobs. The acquisition of Elite was made through Elite Franchising Corp.; a wholly owned subsidiary of Sparkle Squad LLC (“Sparkle Squad”), both of which were formed by the Company to facilitate the Elite transaction and eventually launch a similar franchise system in the U.S. As the Company has a controlling interest, the Company consolidates Elite in its consolidated financial statements.

On November 18, 2024, the Company acquired substantially all of the assets of Eco Clean KY, LLC, an Ecomaid franchisee operating out of Richmond, KY. See Note 3.

On January 16, 2025, the Company acquired substantially all of the assets of Lawnorder, Inc. and FMJ, LLC, a Lawn Doctor franchisee operating out of Altoona, PA. See Note 3.

2. Basis of Presentation and Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements of LD Parent, Inc. include the accounts of Lawn Doctor, Inc. and its wholly-owned subsidiaries, Mosquito Hunters, LLC, Ecomaid, LLC, Sparkle Squad and Elite (collectively the “Company”). The consolidated financial statements of the Company are prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). All significant intercompany transactions and accounts have been eliminated in consolidation.

Non-controlling Interests

Non-controlling interests in consolidated subsidiaries are required to be classified as a separate component of equity in the Consolidated Balance Sheets and the amounts of net income and any applicable comprehensive income attributable to the non-controlling interests are included in consolidated net income on the face of the Consolidated Statements of Operations.

The accounts of Mosquito Hunters, LLC have been included in the Company’s consolidated financial statements and the affiliates’ proportionate share of the net assets have been reflected in the accompanying Consolidated Balance Sheets as non-controlling interest in the amount of \$(81,181) and \$(110,124) at December 31, 2025 and 2024, respectively. Included in the years ended December 31, 2025 and 2024 Consolidated Statements of Operations is \$28,943 and \$91,878, of the non-controlling interest income allocation due to the related partial ownership of Mosquito Hunters.

LD Parent, Inc.

Notes to Consolidated Financial Statements

The accounts of Ecomaid, LLC have been included in the Company's consolidated financial statements and the affiliates' proportionate share of the net assets have been reflected in the accompanying consolidated financial statements as non-controlling interest in the amount of \$(804,192) and \$(598,596) at December 31, 2025 and 2024, respectively. Included in the years ended December 31, 2025 and 2024 Consolidated Statements of Operations is \$(197,258) and \$(123,851), of the non-controlling interest loss allocation due to the related partial ownership of Ecomaid.

The accounts of Sparkle Squad and Elite have been included in the Company's consolidated financial statements and the affiliates' proportionate share of the net assets have been reflected in the accompanying consolidated financial statements as non-controlling interest in the amount of \$441,604 and \$696,236 at December 31, 2025 and 2024, respectively. Included in the year ended December 31, 2025 and 2024 Consolidated Statement of Operations is \$(190,842) and \$(226,600) of the non-controlling interest loss allocation due to the related partial ownership of Sparkle Squad and Elite.

Revenue Recognition

The Company recognizes revenue in accordance with ASC 606, which provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as performance obligations are satisfied

The Company has identified the following revenue streams; initial franchise fees, operating revenues which consist of: service/royalty fees from franchises, corporate location sales, sales of parts and equipment, revenues from sales type leases, advertising revenue, and interest income related to notes receivable and loans receivables. The Company's initial franchise fees are recognized over the life of the contract. Commissions relating to such contracts are recorded as a prepaid asset and amortized over the life of the contract.

In accordance with ASC 606, the Company disaggregates its revenue from customers with contracts by revenue streams. The Company's revenue streams are presented in the following table:

Years Ended December 31,	2025	2024
Net Revenues:		
Service/royalty fees	\$ 27,389,193	\$ 25,368,940
Corporate location sales	2,973,238	1,455,186
Part and equipment sales	3,622,024	3,691,417
Advertising revenue	8,856,790	9,053,646
Initial franchise fees	4,118,089	4,655,247
Interest, service charges, and other	873,664	1,039,616
Total Net Revenues	\$ 47,832,998	\$ 45,264,052

Service/royalty fees derived from franchises ("Service Fees") are recognized as revenue when revenues are earned by the franchisees. The franchisees agree to pay to the Company a weekly royalty and service fee based on a percentage of the net revenues derived by the respective franchisees from the Company's business. Revenue from corporate location sales are recognized when home services have been rendered to the Company's customers and are earned by the Company. In 2024, corporate location sales were included with parts and equipment sales. Revenue from sales of parts and equipment are recognized, at the point in time which control is transferred, upon shipment. Interest income related to notes receivable and loans receivable is recorded as revenue when earned (and collection is reasonably assured) in accordance with the interest method.

Initial franchise fees are deferred and recognized over the life of the contract. Commissions paid on initial franchise fees are deferred and charged to expense upon recognition of the initial fee.

Advertising funds are presented as a gross up of revenue and related cost. Advertising funds, such as the Company's National Marketing Fund and Regional Marketing fund, promote the Company's brand nationally and in the local markets.

LD Parent, Inc.

Notes to Consolidated Financial Statements

In accordance with ASC 606, the Company records gross revenue related to Advertising funds which includes amounts charged by the Company to franchisees based on established contracts. Revenue related to these amounts is based on a percentage of sales of the franchisee and is recognized as earned. The sales-based royalty exception applies, and amounts are recognized as the underlying sales are done by the respective franchisees. Advertising fund revenue is deferred and is recognized as advertising expense as incurred by the Company.

Interest income mainly represents interest on notes receivable from franchisees and is recognized using the effective interest method. Service charges represent call center income, which is recognized at a point in time which the control is transferred, upon completion of calls.

Contract balances

The timing of revenue recognition may not align with the right to invoice the customer under franchisee agreements. The Company records accounts receivable when it has the unconditional right to issue an invoice and receive payment, regardless of whether revenue has been recognized. If revenue has not yet been recognized, a contract liability (deferred revenue) is recorded. Deferred revenue represents franchisee fees received that have not been earned yet. Included within the Consolidated Balance Sheets is an amount of \$10,119,606 and \$8,687,188 which represent deferred revenues as of the year ended December 31, 2025 and 2024, respectively. The opening balances of deferred revenues as of January 1, 2024 were \$7,510,379.

Costs to obtain a contract

Broker commissions paid to brokers, as well as commissions paid to internal sales personnel, that are incremental to the acquisition of franchisee contracts are capitalized as prepaid commissions on the Consolidated Balance Sheet when the period of benefit is determined to be greater than one year. The Company elected to apply the practical expedient to expense broker and sales commissions and associated costs as incurred when the expected amortization period is one year or less. The Company determines the period of benefit for broker and sales commissions paid for the acquisition of the franchisee contract by taking into consideration the term of the franchisee agreement. Amortization is recognized on a straight-line basis over a period of approximately ten years, which is commensurate with the pattern of revenue recognition. Included within the Consolidated Balance Sheets is an amount of \$6,212,904 and \$5,778,198 which represent prepaid commissions as of the year ended December 31, 2025 and 2024, respectively.

Receivables from Franchisees, net

The Company accounts for Receivables from Franchisees using the Current Expected Credit Losses (CECL) model. Credit losses for financial assets measured at amortized cost should be determined based on the total current expected credit losses over the life of the financial asset or group of financial assets. In effect, the financial asset or group of financial assets should be presented at the net amount expected to be collected. Credit losses will no longer be recorded under the current incurred loss model for financial assets measured at amortized cost.

Under the CECL model, the Company develops and documents its allowance for expected credit losses service fee (trade) receivables, notes receivables, and sales type equipment leases. The determination of portfolio segments is based primarily on asset type consideration of the credit risks.

Our quantitative allowance for credit loss estimates under CECL was determined using the loss rate method, which is impacted by certain adjustments for the nature of the aged receivables. In addition to our quantitative allowance for expected credit losses, we also incorporated a qualitative adjustment that may relate to unique risks or other relevant factors to further inform our estimate of the allowance for expected credit losses.

Additionally, due to the expansion of the time horizon over which we are required to estimate future credit losses, we may experience increased volatility in our future provisions for expected credit losses. Factors that could contribute to such volatility include, but are not limited to, changes in the composition and credit quality of customer base, economic conditions and forecasts, the allowance for credit loss models that are used, the data that is included in the models, the associated qualitative allowance framework, and our estimation techniques.

LD Parent, Inc.

Notes to Consolidated Financial Statements

Trade accounts receivable and unbilled receivables are recorded at invoiced amounts, net of allowance for expected credit losses, if applicable, and are unsecured and do not bear interest. Notes receivables reflect the outstanding balance, principal and interest, net of allowance for expected credit losses.

The allowance for expected credit losses is based on the probability of future collection under the current expected credit losses model. Under the CECL model, the Company determines its allowance by applying a loss-rate method based on an aging schedule using the Company's historical loss rate. The Company also considers reasonable and supportable current information in determining its estimated loss rates, such as external forecasts, macroeconomic trends or other factors including customers' credit risk and historical loss experience. The adequacy of the allowance is evaluated on a regular basis. Account balances are written off after all means of collection are exhausted and the balance is deemed uncollectible. Subsequent recoveries are credited to the allowance. Changes in the allowance are recorded as adjustments to bad debt expense in the period incurred.

The following table sets forth the activity in the Company's allowance for expected credit losses:

	Trade Receivables	Note Receivable	Sales Type Leases	Total Allowance for Expected Credit Losses
Beginning balances at January 1, 2024	\$ 345,305	\$ 656,890	\$ 4,380	\$ 1,006,575
Current period adjustment to allowance for expected credit losses	286,068	53,566	21,008	360,642
Write-offs charged against allowance	(202,718)	(441,551)	(16,619)	(660,888)
Ending balances as of December 31, 2024	428,655	268,905	8,769	706,329
Current period adjustment to allowance for expected credit losses	265,191	19,766	—	284,957
Write-offs charged against allowance	(46,696)	(190,831)	—	(237,527)
Ending balances as of December 31, 2025	\$ 647,150	\$ 97,840	\$ 8,769	\$ 753,759

The Company provides franchisees with an option to finance a portion of the initial franchise fee(s) over a period of up to 96 months with interest at 12% per annum. Additionally, the Company has converted accounts receivable from certain franchisees to notes receivable. These financing arrangements entered into during the years ended December 31, 2025 and 2024 were \$220,145 and \$369,450, respectively. These financing arrangements are recorded as notes receivable and included within receivables from franchisees in the accompanying Consolidated Balance Sheets. As of December 31, 2025 and 2024, \$794,193 and \$1,064,238 was outstanding of which \$340,234 and \$501,967 was classified as a current asset, which represents the principal amounts due on the aggregate notes receivable, respectively.

The Company leases equipment to its franchisees with an option to pay in full upon execution of the lease or finance over 60, 72 or 84 months depending on the type of equipment. Interest is not to exceed 1.5% per month and the Company recognizes the imputed interest over the term of the lease. The Company records these leases as a sales-type lease in accordance with ASC 842 Leases (Note 8). Leased equipment is recorded in receivables from franchisees in the accompanying Consolidated Balance Sheets.

As of December 31, 2025, \$2,137,617 was outstanding of which \$482,570 was classified as a current asset. As of December 31, 2025, the Company recorded \$546,786 as unearned interest of which \$173,581 was classified within other current liabilities.

As of December 31, 2024, \$1,992,905 was outstanding of which \$465,266 was classified as a current asset. As of December 31, 2024, the Company recorded \$503,338 as unearned interest of which \$162,093 was classified within other current liabilities.

Unearned interest beyond one year is recorded in long-term other liabilities.

LD Parent, Inc.

Notes to Consolidated Financial Statements

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company believes that the significant accounting estimates most critical to aid in fully understanding and evaluating the consolidated financial results include the accounting for expected credit losses. Actual results, as determined at a later date, could differ from those estimates.

Shipping Costs

Costs to ship products to franchisees are expensed to manufacturing expenses as incurred. The Company recorded shipping costs of \$171,103 and \$161,727 for the years ended December 31, 2025 and 2024, respectively.

Cash and Cash Equivalents

The Company maintains cash balances in various financial institutions located in the United States of America which, at times, may exceed federally insured limits. The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

The Company maintains its cash and cash equivalents balances in a financial institution that is insured by the Federal Deposit Insurance Corporation up to \$250,000 each. At times, such balances may be in excess of the FDIC insurance limit. The Company has not experienced any losses in such accounts and management believes that the Company is not exposed to any significant credit risk with respect to the Company's cash balances.

No one franchise or vendor exceeded 10% of the Company's revenues, receivables, purchases, or payables for the years ended December 31, 2025 and 2024.

Inventories, net

Inventories are stated at the lower of cost and net realizable value. Parts and materials, included as inventory, are evaluated annually by management for net realizable value and obsolescence. At December 31, 2025 and 2024, the reserve for inventory was \$50,772.

Property, Plant and Equipment, net

Property, plant and equipment are stated at cost less accumulated depreciation and amortization. Depreciation of property and equipment is computed by the straight-line method over the estimated useful lives, which approximate 39 years for building, 5 to 7 years for furniture, fixtures and other equipment and 3 to 5 years for software and transportation equipment. Improvements to leasehold property are amortized on the straight-line method over the shorter of the asset life and remaining lease term.

Goodwill

As required by ASC 350, Goodwill and Other Intangible Assets ("ASC350"), the Company tests goodwill for impairment and follows ASU 2017-04 which amended ASC 350 for testing goodwill for impairment. Under ASU 2017-04, a goodwill impairment loss must be measured as the excess of a reporting unit's carrying amount (including goodwill) over its fair value. Impairment losses are limited to the total amount of goodwill allocated to the reporting unit. Goodwill is not amortized, but instead tested for impairment at the reporting unit level at least annually and more frequently upon the occurrence of certain events. The Company has one reporting unit. A qualitative assessment is performed to assess the qualitative factors and to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount. If the reporting unit does not pass the qualitative assessment, the carrying amount of the reporting unit, including goodwill, is compared to the fair value, and goodwill is considered impaired if the carrying value of the reporting unit exceeds its fair value. The fair value is estimated under a discounted cash flow approach, supplemented with a market multiple valuation approach.

LD Parent, Inc.

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Significant estimates used in the discounted cash flow models include assumptions regarding future growth rates, terminal values, and discount rates. Any excess is recognized as an impairment loss. In conjunction with the management's annual review of goodwill and based on the qualitative assessments performed in 2025 and 2024, the Company determined it is not more likely than not that the fair value of the reporting unit is less than the carrying amount.

Indefinite and Finite Lived Intangibles

In accordance with ASC 350, indefinite lived intangible assets are recorded at cost and are reviewed for impairment on an annual basis and whenever events or circumstances indicate that their carrying values may not be recoverable. Impairment is recorded if the carrying amount exceeds fair value. Intangible assets which have finite useful lives are amortized using the straight-line method over their useful lives and consist of franchisee and customer relationships, and a leasehold interest.

Future adverse changes in market conditions or poor operating results could result in losses or an inability to recover the carrying value of the goodwill and other intangible assets thereby possibly requiring an impairment charge in the future.

Long-lived Assets

The Company accounts for the impairment of long-lived assets in accordance with ASC 360, *Accounting for the Impairment or Disposal of Long-Lived Assets*. In accordance with ASC 360, the Company evaluates long-lived assets, including intangible assets, for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable based on expected undiscounted cash flows attributable to that asset or group of assets. The amount of any impairment is measured as the difference between the carrying value and the fair value of the impaired asset. The Company did not have any long-lived assets impairment indicators during the years ended December 31, 2025 and 2024.

Debt Issuance Costs

Costs related to financing are being capitalized and amortized straight line, which approximates the effective interest method, over the term of the related debt facilities. Unamortized debt issuance costs were \$0 and \$1,832 as of December 31, 2025 and 2024, respectively, and are presented as a reduction to long-term debt in the Consolidated Balance Sheets. Amortization of debt issuance costs for the years ended December 31, 2025 and 2024 was \$1,832 and \$21,989, respectively, and is recorded in interest expense in the Consolidated Statements of Operations.

Income Taxes

The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of assets and liabilities.

The Company recognizes a tax benefit from an uncertain position only if it is more likely than not the position is sustainable, based solely on its technical merits and consideration of the relevant taxing authority's widely understood administrative practices and precedents. If this threshold is met, the Company measures the tax benefit as the largest amount of benefit that is greater than fifty percent likely being realized upon ultimate settlement. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the statement of operations. As of December 31, 2025 and 2024, there was no impact to the consolidated financial statements relating to accounting for uncertainty in income taxes.

Fair Value Measurements

Fair value is a market-based measurement, which is defined as the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. Valuation techniques for fair value measurements include the market approach (comparable market prices), the income approach (present value of future income or cash flow) and the cost approach (cost to replace the service capacity of an asset or replacement cost), which are each based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. The Company utilizes a fair value hierarchy that prioritizes inputs to fair value measurement techniques into three broad levels:

LD Parent, Inc.

Notes to Consolidated Financial Statements

- Level 1: Observable inputs such as quoted prices for identical assets or liabilities in active markets.
- Level 2: Observable inputs other than quoted prices that are directly or indirectly observable for the asset or liability, including quoted prices for similar asset or liabilities in active markets; quoted prices for similar or identical assets or liabilities in markets that are not active; and mode-derived valuations whose inputs are observable or whose significant value drivers are observable.
- Level 3: Unobservable inputs that reflect the reporting entity's own assumptions.

The Company's material financial instruments at December 31, 2025 and 2024, for which disclosure of estimated value is required by certain accounting standards, consisted primarily of cash and cash equivalents, receivables from franchisees, accounts payable, accrued expenses, and long-term debt. Cash and cash equivalents, receivables from franchisees, accounts payable, and accrued expenses are considered Level 1 due to their short-term nature and their market interest rates. The carrying value of long-term debt, which the Company does not record at fair value, approximates fair value due to the variable interest rate associated with this financial instrument which reflects current market rates available to the Company and is considered Level 2.

Business Acquisitions

The Company accounts for business combinations in accordance with ASC 805 Business Combinations. ASC 805 requires business combinations to be accounted for using the purchase method of accounting and includes specific criteria for recording intangible assets separate from goodwill. Results of operations of acquired businesses are included in the financial statements of the acquiring company from the date of acquisition. Assets acquired and liabilities assumed of the acquired company are recorded at their fair value at the date of acquisitions.

Leases

The Company engages in leasing activity as both a lessee and a lessor.

The Company accounts for leases pursuant to ASC Topic 842, *Leases*, which the Company adopted effective January 1, 2022, using the modified retrospective method of adoption. The Company elected the package of practical expedients, which, among other items, permits the Company not to reassess under the new standard its prior conclusions about lease identification and initial direct costs. The Company also elected the short-term lease recognition exemption for all leases that qualify. Under this election, the Company does not recognize right-of-use assets or lease liabilities for leases with a term of 12 months or less. The Company also elected to not separate lease and non-lease components for all leases.

Lessee

The Company enters into operating leases and determines whether an arrangement is a lease at inception of the arrangement. The Company accounts for a lease when it has the right to control the leased asset for a period of time while obtaining substantially all of the assets' economic benefits. Leases are classified as operating or finance leases at the lease commencement date. A lease is classified as a finance lease if any one of the following criteria are met:

1. The lease transfers ownership of the asset at the end of the lease term.
2. The lease contains an option to purchase the asset that is reasonably certain to be exercised.
3. The lease term is for a major part of the remaining useful life of the asset, or
4. The present value of the lease payments equals or exceeds substantially all of the fair value of the asset.

A lease is classified as an operating lease if it does not meet any one of these criteria. The Company currently only has operating leases as a lessee. The operating leases consist primarily of facility space, vehicles, and office equipment.

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Notes to Consolidated Financial Statements

Lease liabilities are recognized at the lease commencement date based on the estimated present value of future minimum lease payments over the lease term, excluding lease incentives and initial direct costs incurred, if any. Lease liabilities represent the company's obligation to make lease payments arising from the lease and Right-of-Use (ROU) assets represent the Company's right to use an underlying asset for the lease term. The discount rate used to determine the present value of the lease payments is the Company's incremental borrowing rate based on the information available at lease inception, as generally an implicit rate in the lease is not readily determinable. The Company's leases do not include residual value guarantees or covenants.

Lease expense for operating leases with original terms of less than 12 months is recognized on a straight-line basis over the lease term.

When determining the lease term at inception, options to extend or renew leases are included in the measurement and recognition of ROU asset and liability when it is reasonably certain that the Company will exercise the option. The Company considers various economic factors when making the determination, including, but not limited to, the significance of leasehold improvements incurred in the facility space, the difficulty in replacing the lease, underlying contractual obligations, or specific characteristics unique to a particular lease. Subsequent to entering a lease, if it becomes reasonably certain that the Company will exercise an option that was not included in the lease term, the Company accounts for the change in circumstances as a lease modification, which results in the remeasurement of the ROU asset and liability as of the modification date. The Company continually evaluates whether facts or circumstances indicate it is reasonably certain that it will exercise an option.

Lessor

The Company classifies leases as sales-type based on the results of the classification tests in accordance with ASC 842 and has elected, as an accounting policy, to present all funds collected from lessees for sales and other similar taxes net of the related sales tax expense for all lessor leases. The Company also excludes executory costs from lease accounting if the lessee's payments of those costs are made to a third party (e.g. taxing authority or insurer).

Advertising Expenses

The Company expenses its advertising costs the first time the advertising takes place. All advertising costs are expensed as incurred. Total advertising expense recorded in selling, general, and administrative expense within the Consolidated Statements of Operations was \$731,808 and \$704,758 for the years ended December 31, 2025 and 2024, respectively.

The Company incurs regional advertising costs, which are repaid weekly by franchisees based upon their cash receipts. The balances are reported as prepaid or accrued expenses at year-end.

3. Acquisitions

2025 Formation of LD Local Operations LLC and Acquisition of Lawnorder Inc. and FMJ LLC

On January 13, 2025 the Company formed a new limited liability company, LD Local Operations LLC, to operate a corporate location. Subsequently, on January 16, 2025, Lawn Doctor, Inc. entered into an agreement to acquire substantially all of the assets of Lawnorder Inc. and FMJ, LLC, a Lawn Doctor franchisee operating out of Altoona PA.

Total consideration was a \$1,742,667 cash payment by the Company. The acquisition was accounted for as a business combination using the acquisition method of accounting in accordance with Accounting Standards Codification ("ASC") 805, Business Combinations (ASC 805). In accordance with ASC 805, acquisition related costs must be accounted for separately from the business combination and are not part of the consideration transferred. In connection with the acquisition, the Company incurred \$39,821 in acquisition related costs which is included in the selling, general and administrative expenses in the Consolidated Statements of Operations.

The allocation of the total consideration paid of the Company's net tangible and identifiable intangible assets was based upon the estimated fair value, using available information at acquisition date, of those assets as of January 16, 2025. The Company allocated the excess of purchase price over the identifiable intangible and net tangible assets to goodwill and expected synergies with the Company's existing operations. To the extent the Company has a tax basis in goodwill and intangibles, it is deductible over 15 years.

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Notes to Consolidated Financial Statements

The following table presents the breakdown between purchase consideration and the allocation of the total purchase price:

Acquired tangible assets and liabilities:	
Inventory	\$ 24,476
Property and equipment	236,833
Net tangible assets	261,309
Identifiable intangible assets:	
Goodwill	1,481,358
Total purchase consideration	\$ 1,742,667

At the time of the acquisition by the Company, there were no existing enforceable contractual rights remaining pursuant to the original franchise agreement and as a result, the Company did not record any reacquired right intangible assets in connection with this transaction. The Company estimated the fair value of property and equipment and intangible assets using the income, cost and market approaches to value the related assets. Fair values were determined by management.

The consolidated financial statements include results of operations following the Altoona acquisition for the period from January 16, 2025 through December 31, 2025.

2024 Formation of EM Corporate - Lexington Richmond LLC and Acquisition of Eco Clean KY LLC

On October 9, 2024 the Company formed a new limited liability company, EM Corporate - Lexington Richmond LLC, to operate a corporate location. Subsequently, on November 18, 2024, Ecomaid LLC entered into an agreement to acquire substantially all of the assets of Eco Clean KY, LLC, an Ecomaid franchisee operating out of Richmond KY.

Total consideration was a \$50,000 cash payment by the Company. The acquisition was accounted for as a business combination using the acquisition method of accounting in accordance with ASC 805. In accordance with ASC 805, acquisition related costs must be accounted for separately from the business combination and are not part of the consideration transferred. In connection with the acquisition, the Company incurred \$19,694 in acquisition related costs which is included in the selling, general and administrative expenses in the Consolidated Statements of Operations.

The allocation of the total consideration paid of the Company's net tangible and identifiable intangible assets was based upon the estimated fair value, using available information at acquisition date, of those assets as of November 18, 2024. The Company allocated the excess of purchase price over the identifiable intangible and net tangible assets to goodwill and expected synergies with the Company's existing operations. To the extent the Company has a tax basis in goodwill and intangibles, it is deductible over 15 years.

The following table presents the breakdown between purchase consideration and the allocation of the total purchase price:

Acquired tangible assets and liabilities:	
Property and equipment	\$ 41,685
Net tangible assets	41,685
Identifiable intangible assets:	
Goodwill	8,315
Total purchase consideration	\$ 50,000

The Company estimated the fair value of property and equipment and intangible assets using the income, cost and market approaches to value the related assets. Fair values were determined by management.

LD Parent, Inc.

Notes to Consolidated Financial Statements

The consolidated financial statements include results of operations following the Lexington acquisition for the period from November 18, 2024 through December 31, 2024.

The Company follows Account Standards Update (ASU) 2021-08, Business Combinations (Topic 805) – Accounting for Contract Assets and Contract Liabilities from Contracts with Customers. ASU 2021-08 requires that an entity (acquirer) recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606, as if it had originated the contracts.

4. Receivables from Franchisees, net

December 31,	2025	2024
Amounts billed and currently receivable from franchisees	\$ 2,930,190	\$ 2,574,427
Notes receivable from franchisees	340,234	501,967
Net investment in sales type leases	482,570	465,266
Less: Allowance for expected credit losses	(753,759)	(706,329)
Current portion	2,999,235	2,835,331
Notes receivable from franchisees	453,959	562,271
Net investment in sales type leases	1,655,048	1,527,639
Noncurrent portion	2,109,007	2,089,910
Receivables from Franchisees, net	\$ 5,108,242	\$ 4,925,241

The Company wrote off uncollectible accounts totaling \$237,527 and \$660,888 for the years ended December 31, 2025 and 2024, respectively. The opening balances of billed receivables and unbilled receivables from franchisees, net as of January 1, 2024 were \$5,389,481.

5. Inventories, net

December 31,	2025	2024
Raw materials	\$ 179,016	\$ 158,373
Work-in-progress	235,530	215,931
Finished goods	1,309,967	1,894,545
Inventories, net	\$ 1,724,513	\$ 2,268,849

6. Property, Plant and Equipment, net

Property, plant and equipment consist of the following:

December 31,	2025	2024
Land	\$ 440,304	\$ 440,304
Building	1,126,624	1,126,624
Furniture, fixtures and other equipment	2,094,799	1,447,095
Leasehold improvements	609,669	541,418
Gross property	4,271,396	3,555,441
Less: accumulated depreciation and amortization	(1,708,056)	(1,419,508)
Property, plant and equipment, net	\$ 2,563,340	\$ 2,135,933

Depreciation and amortization expense totaled \$288,548 and \$250,106 for the years ended December 31, 2025 and 2024, respectively, and is included within selling, general and administrative expenses in the Consolidated Statements of Operations.

LD Parent, Inc.

Notes to Consolidated Financial Statements

7. Goodwill

The following is a summary of goodwill as of December 31, 2025 and 2024:

Balance as of January 1, 2024	\$	38,871,101
Addition due to EM Lexington acquisition (Note 3)		8,315
Balance as of December 31, 2024		38,879,416
Addition due to LD Altoona acquisition (Note 3)		1,481,358
Balance as of December 31, 2025	\$	40,360,774

8. Intangibles, net

Intangibles are summarized as follows:

December 31,	2025	2024	Useful Life
Franchisee and customer relationships	\$ 34,940,000	\$ 34,940,000	10-15 years
Trade name	12,398,201	12,398,201	Indefinite
Systems-in-place	6,800,000	6,800,000	Indefinite
Gross intangibles	54,138,201	54,138,201	
Less: accumulated amortization	(18,265,460)	(15,900,524)	
Intangibles, net	\$ 35,872,741	\$ 38,237,677	

As of December 31, 2025 and 2024, the remaining weighted average amortization period of the Company's franchise and customer relationship intangible asset is 7.08 years and 8.08 years, respectively.

Amortization expense totaled \$2,364,936 and \$2,364,022 for the years ended December 31, 2025 and 2024, respectively, and is included within selling, general and administrative expenses in the Consolidated Statements of Operations.

Estimated future amortization expense for the next five years of franchisee and customer relationships at December 31, 2025 is as follows:

Years ending December 31,	
2026	\$ 2,365,336
2027	2,365,336
2028	2,365,336
2029	2,365,336
2030	2,365,336

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9. Leases

The Company currently has operating leases for its facility space, vehicles, and postage equipment. These leases are used for the operations of the business and are mostly located in the state of New Jersey. The initial lease term and whether the Company has the option to renew are outlined below:

- Facility space – 10 years with the option to renew
- Vehicles – 2 to 10 years with no option to renew
- Postage equipment – 5 years with no option to renew

The option to renew was not included in the calculation of the liability and ROU asset for the facility space since it was not reasonably certain the Company would exercise this option at the effective date of ASC 842.

The components of lease expense were as follows:

Year ending December 31,	2025	2024
Operating lease cost	\$ 330,028	\$ 302,341
Short-term lease cost	—	—
Total lease cost	\$ 330,028	\$ 302,341

The weighted-average remaining lease term and discount rate for operating leases, for the year ended December 31, 2025, are as follows:

Operating leases	2025	2024
Weighted-average remaining lease term	2.62 years	3.44 years
Weighted-average discount rate	6.93%	6.93%

The following table indicates the financial statement lines where the Company's operating lease liabilities and ROU assets are included in the Consolidated Balance Sheets:

	2025	2024	Balance sheet classifications
Assets:			
Operating lease ROU assets	\$ 884,399	\$ 1,155,282	Right-of-use asset
Total lease assets	\$ 884,399	\$ 1,155,282	
Liabilities:			
Current operating lease liabilities	\$ 319,139	\$ 320,560	Current portion of lease obligations
Non-current operating lease liabilities	565,260	834,722	Lease obligations, net of current portion
Total lease liabilities	\$ 884,399	\$ 1,155,282	

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Notes to Consolidated Financial Statements

Future minimum lease payments under non-cancelable operating leases as of December 31, 2025, are as follows:

	Operating leases
2026	\$ 368,261
2027	369,912
2028	214,526
2029	9,960
2030	2,082
Total minimum lease payments	964,741
Less: Amounts representing interest	80,342
Present value of lease payments	<u>\$ 884,399</u>

The Company's lessor portfolio consists of sales-type leases. The Company's has over 100 leases consisting of three types of lawn care equipment. Leases to the franchisees have an initial term of five to seven years with the option to renewal. Option periods were not included. The Company leases three types of lawn care equipment to its franchisees, including (i.) Turf Tamer Walk Behind, (ii.) Turf Tamer Stand-on Applicator, and (iii.) Turf Tamer Power Seeder.

Income from sales-type leases is recorded within the equipment revenue line item in the Consolidated Statements of Operations. The Company's income from sales-type leases at December 31, 2025 and 2024 were as follows:

	2025	2024
Interest income	\$ 130,769	\$ 116,371
Variable lease income	—	—
Total sales-type income	<u>\$ 130,769</u>	<u>\$ 116,371</u>

The net investment in sales-type leases as of December 31, 2025 and 2024 were as follows:

	2025	2024
Lease receivables	\$ 2,137,617	\$ 1,992,905
Unguaranteed residual assets	—	—
Net investment in sales-type leases	<u>\$ 2,137,617</u>	<u>\$ 1,992,905</u>

Future minimum payments to be received as lessor under non-cancelable sales-type leases as of December 31, 2025, were as follows:

	Sales-type leases
2026	\$ 448,334
2027	433,750
2028	390,365
2029	324,910
2030	253,624
Thereafter	286,634
Total minimum lease payments	2,137,617
Less: Amounts representing interest	546,786
Present value of lease payments	<u>\$ 1,590,831</u>

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Notes to Consolidated Financial Statements

10. Borrowing Arrangements

Credit Agreements

On June 30, 2023 the Company entered into a new credit agreement with LD Strategic DEBT CO, LLC, a related party in the amount of \$29,489,500 (referred to as the “Credit Agreement”). The proceeds from the loan were used to pay down the prior credit agreement that previously existed in 2023 in full. The Credit Agreement has no required installment payments until the maturity date, which was subsequently extended from February 7, 2025 to August 6, 2029, the date at which the outstanding balance is to be due and payable. The Credit Agreement also provides for annual prepayment of principal based on excess cash flow (as defined in the Credit Agreement). During the years ended December 31, 2025 and 2024, the Company did not make a prepayment based on excess cash flow. The Credit Agreement also provides for the maintenance of certain financial ratios, including leverage and fixed charge ratios. At December 31, 2025 and 2024, the Company was in compliance with all of its covenant requirements. At December 31, 2025 and 2024, \$29,489,500 was outstanding on the Term Loan.

The interest rate on the Credit Agreement varies depending if the Term Loan is a Base Rate Loan or a SOFR Loan. At December 31, 2023, the Company elected to treat the Credit Agreement as a SOFR Loan, which carried an effective interest rate of 9.94%.

	2025	2024
Long-term debt	\$ 29,489,500	\$ 29,489,500
Less: Current portion	—	—
Less: Deferred financing costs	—	(1,832)
Long-term debt, net	\$ 29,489,500	\$ 29,487,668

On May 21, 2025, the Company entered into a Loan and Security Agreement with Old Plank Trail Community Bank, N.A., which provides for a revolving credit facility with maximum borrowings of \$3.5 million. Borrowings under the facility are limited to the lesser of the committed amount or a borrowing base calculated based on eligible accounts receivable and inventory. Amounts outstanding under the revolving credit facility bear interest at variable rates based on either the Prime Rate or Term SOFR plus an applicable margin of 3.00%, subject to the terms of the agreement. The revolving credit facility is secured by substantially all of the Company’s assets, including accounts receivable and inventory, and matures on May 20, 2026. As of December 31, 2025, there were no amounts outstanding under the revolving credit facility.

In 2025, the Company incurred \$218,068 of costs in connection with entering into the revolving credit facility. These deferred financing costs are included in prepaid expenses and other current assets on the Company’s balance sheet and are amortized on a straight-line basis over the contractual term of the revolving credit facility, which approximates the effective interest method. At December 31, 2025, unamortized deferred financing costs totaled \$92,443 and the amortization of deferred financing costs was \$125,625.

Note Purchase Agreement

On February 7, 2018, in conjunction with the acquisition, the Company entered into a Note Purchase Agreement for an \$18,000,000 aggregate principal amount of senior secured notes with related parties. The notes are subordinate to the Credit Agreement noted above. The notes contain an annual interest rate of 16% and were payable upon maturity on August 7, 2023, which was subsequently extended to February 7, 2030, based on a sixth amendment to Note Purchase Agreement entered into in February 5, 2024. Payment of the notes is due in full on the maturity date. The Company may prepay the notes at a premium based upon the schedule set forth in the note purchase agreement. The note purchase agreement is collateralized by substantially all assets of Lawn Doctor, Inc. and was guaranteed by the Company. The note purchase agreement also provides for the maintenance of certain financial ratios, including leverage and fixed charge ratios. At December 31, 2025 and 2024, the Company was in compliance with all of its covenant requirements. At December 31, 2025 and 2025, \$18,000,000 was outstanding on the Note Purchase Agreement with related parties.

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Repayment of borrowing arrangements is as follows:

Years ending December 31,

2029	\$	29,489,500
2030		18,000,000
Total	\$	47,489,500

11. Accounts Payable and Accrued Expenses

	2025	2024
Accounts payable	\$ 652,974	\$ 384,806
Accrued expenses	2,471,781	1,834,818
Deferred franchise package costs	993,054	1,424,109
Accounts payable and accrued expense	\$ 4,117,809	\$ 3,643,733

12. Commitments and Contingencies

Employment Agreement

The Company has an employment agreement with a key executive which provides for an annual base salary plus an incentive bonus which is payable upon the achievement of certain defined financial benchmarks. The agreement was amended in 2018 to renew automatically for an additional one-year term unless the agreement is earlier terminated by either party. The agreement also includes a non-compete clause should the employee be terminated under specific terms of the agreement.

Employee Benefit Plan

The Company has a 401(k) savings retirement plan for all eligible employees. The plan allows for employee contributions to be matched by the Company on a pro rata basis. Contributions made to the plan by the Company, including fees, were \$170,000 and \$143,492 for the years ended December 31, 2025 and 2024, respectively.

Litigation

The Company is party to various legal proceedings that arise in the normal course of business. In the present opinion of management, none of these proceedings, individually or in the aggregate, are likely to have a material adverse effect on the consolidated financial position or consolidated results of operations or cash flows of the Company. However, management cannot provide assurance that any adverse outcome would not be material to the Company's consolidated financial position or consolidated results of operations or cash flows.

13. Related Party Balances and Transactions

See Note 10 for credit agreement and note purchase agreement with the stockholders of LD Parent. The Company made distributions to its stockholders of \$4,575,132 and \$5,800,000 during the years ended December 31, 2025 and 2024, respectively.

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Notes to Consolidated Financial Statements

14. Income Taxes

Deferred income taxes result from timing differences in the recognition of income and expenses for income tax and financial reporting purposes.

Net deferred tax assets and liabilities are summarized as follows:

December 31,	2025	2024
Employee compensation	\$ 496,991	\$ 453,171
Accounts receivable	147,319	135,011
Inventory	13,038	13,072
Partnership interest	691,942	807,393
Deferred revenue	1,359,494	820,899
Interest limitation	1,636,938	1,267,346
Lease liability	227,113	267,501
Foreign net operating loss	166,488	203,528
Valuation allowance	(642,101)	(487,291)
Deferred tax assets	4,097,222	3,480,630
Property and equipment	(623,504)	(569,439)
Intangible assets	(8,969,088)	(9,298,130)
Other	(17,204)	(8,403)
Deferred tax liabilities	(9,609,796)	(9,875,972)
Net deferred income tax liabilities	\$ (5,512,574)	\$ (6,395,342)

In assessing the realizability of deferred tax assets, management considers whether it is more-likely-than-not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities (including the impact of available carryback and carryforward periods), projected future taxable income, and tax-planning strategies in making this assessment. Based on this analysis, the Company has determined that a valuation allowance against certain attributes related to Sparkle Squad, LLC and Elite Franchise were appropriate due to lack of predictable income. As of December 31, 2025 and December 31, 2024, the Company maintained a valuation allowance in the amount of \$642,101 and \$487,291 respectively.

As of December 31, 2025 and 2024, the Company had approximately \$17,000 and \$160,000 in tax affected federal net operating loss carryforwards, respectively. The federal net operating losses have indefinite lives. As of December 31, 2025 and 2024, the Company had approximately \$146,000 and \$203,000, respectively, of net operating loss carryforwards in jurisdictions outside the U.S. which have a 20 year carryforward period and begin to expire in 2043. As of December 31, 2025 and 2024, the Company had approximately \$1,637,000 and \$1,267,000, respectively, of tax affected U.S. federal and disallowed interest carryforwards which also have an indefinite carryforward period.

LD Parent, Inc.

Notes to Consolidated Financial Statements

A summary of current and deferred income taxes included in the Consolidated Statements of Operations is as follows:

Year Ended December 31,	2025	2024
Current:		
Federal	\$ 1,952,158	\$ 1,718,652
State	538,481	567,613
Current tax expense	2,490,639	2,286,265
Deferred:		
Federal	(756,107)	(696,368)
State	(184,255)	(100,702)
Foreign	57,594	(10,070)
Deferred benefit	(882,768)	(807,140)
Total tax expense	\$ 1,607,871	\$ 1,479,125

The Company's effective income tax rate reconciles with the federal statutory rate as follows:

Years Ended December 31,	2025	2024
Federal statutory rate	21.0 %	21.0 %
State income taxes, net of federal tax benefit	5.2	5.6
Foreign taxes	0.1	(0.4)
Non-deductible expenses	0.1	0.1
Non-controlling interest	0.3	0.1
Return to provision adjustment	(0.9)	0.8
State Rate Changes	(0.3)	1.2
Change in valuation allowance	2.8	3.5
Other	1.9	0.1
Effective income tax rate on income before taxes	30.2 %	32.0 %

On July 4, 2025, the "One Big Beautiful Bill Act" (the "Act") was enacted into law. The Act made permanent certain tax provisions of the Tax Cuts and Jobs Act (2017) and includes changes to U.S. tax law that will be applicable to the Company beginning in 2025. The Act provides for significant U.S. tax law changes and modifications including provisions allowing for accelerated tax deductions on qualified research expenditures and the increased ability to deduct interest expense. The Company has included the provisions that are effective for this tax year.

As of December 31, 2025, The Company has not identified any uncertain tax positions. The Company does not anticipate that the total amount of the unrecognized tax benefits will change significantly within the next twelve months. The Company has analyzed its filing positions in all of the jurisdictions where it is required to file income tax returns, as well as all open years in these jurisdictions. Generally, tax years open for examination include the year 2022 and forward.

LD Parent, Inc.

Notes to Consolidated Financial Statements

15. Stock-Based Compensation

Share Options

Stock Options are issued by LD Parent pursuant to its 2018 Stock Incentive Plan (“the Plan”). The related stock-based compensation is pushed down to its subsidiary and recorded by the Company. The Company follows ASC 718, *Share-Based Payment*, for recording stock-based compensation. The fair value of each time-based and performance-based option award is estimated on the date of grant using a Black-Scholes option pricing model. These options, along with performance-based options, will be expensed when such events are deemed probable. Expected volatility is based on historical volatility of an appropriate industry sector index and other factors. The expected term of options with fixed exercise prices is derived by using the midpoint between vesting and expiration as the expected term of the option grant which is permitted under the guidance. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant. During the year ended December 31, 2025, 287 option shares that were fully vested expired and there was no change related to previously recognized stock compensation expense. In May 2025, the Company granted 212 new options pursuant to the Plan.

A summary of assumptions is presented below in connection with the Plan option grants:

	2025 Grants	2018 Grants
Expected volatility	33 %	23 %
Expected term (years)	7	5
Expected dividend yield	—	—
Risk-free interest rate	4.18 %	1.81 %

	Stock Options			Non-Exercisable	Exercisable
	Number of stock option shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)		
Outstanding at December 31, 2023	891	\$ 3,931	4.30	—	891
Granted	—	—	—	—	—
Exercised	—	—	—	—	—
Forfeited or expired	—	—	—	—	—
Outstanding at December 31, 2024	891	\$ 3,931	3.30	—	891
Granted	212	12,089	9.33	182	30
Exercised	—	—	—	—	—
Forfeited or expired	(287)	—	—	—	(287)
Outstanding at December 31, 2025	816	\$ 6,055	4.87	182	634

The Company has time-based share-based compensation arrangements under the Plan, that vested over 5 years and were fully vested as of December 2023. The 2025 options vest over a 7 year period and include both a service condition and a performance condition. The performance condition is based on achievement of a certain Company target metric as defined in the option agreements. Achievement of the performance condition and related vesting is evaluated at the end of each fiscal year during the 7 year vesting period.

For the years ended December 31, 2025 and 2024, the Company recorded expense of \$161,742 and \$0, respectively, in selling, general, and administrative expenses for stock-based compensation. Unamortized stock-based compensation at December 31, 2025 and 2024 was \$970,449 and \$0, respectively.

LD Parent, Inc.

Notes to Consolidated Financial Statements

16. Subsequent Events

Management has reviewed and evaluated all events and transactions as of March 17, 2026, the date that the consolidated financial statements were available for issuance.

LD Parent, Inc.

Consolidated Financial Statements As of and for the Years Ended December 31, 2024 and 2023

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



LD Parent, Inc.

Consolidated Financial Statements

As of and for the Years Ended December 31, 2024 and 2023

LD Parent, Inc.

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Independent Auditor's Report

Board of Directors
LD Parent, Inc.
Holmdel, NJ

Opinion

We have audited the consolidated financial statements of LD Parent, Inc. and its Subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

BDO USA, P.C.

March 17, 2025

Consolidated Financial Statements

LD Parent, Inc.

Consolidated Balance Sheets

December 31,	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,604,289	\$ 3,533,468
Receivables from franchisees, current portion, net	2,835,331	2,997,724
Inventories, net	2,268,849	2,716,146
Prepaid expenses and other current assets	678,375	1,111,853
Total current assets	10,386,844	10,359,191
Non-current assets:		
Property, plant and equipment, net	2,135,933	2,259,241
Right-of-use assets, net	1,155,282	1,314,373
Intangible assets, net	38,237,677	40,560,885
Goodwill	38,879,416	38,871,101
Receivables from franchisees, net of current portion	2,089,910	2,391,757
Prepaid commissions	5,778,198	4,212,852
Other assets	55,786	55,786
Total non-current assets	88,332,202	89,665,995
Total assets	\$ 98,719,046	\$ 100,025,186
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued expenses	\$ 3,643,733	\$ 3,737,134
Current portion of lease obligations	320,560	275,352
Deferred revenue	1,253,940	1,064,125
Advertising funds	1,285,911	1,277,852
Franchisee deposits	1,997,925	661,115
Other current liabilities	319,127	467,941
Total current liabilities	8,821,196	7,483,519
Non-current liabilities:		
Long-term debt, net	29,487,668	29,465,679
Related party notes	18,000,000	18,000,000
Deferred income taxes, net	6,395,342	7,202,482
Deferred revenue, net of current portion	7,433,248	6,446,254
Lease obligations, net of current portion	834,722	1,039,021
Other non-current liabilities	409,194	376,760
Total non-current liabilities	62,560,174	62,530,196
Total liabilities	71,381,370	70,013,715
Commitments and contingencies		
Stockholders' equity:		
Parent Capital	\$ 27,350,161	\$ 29,765,383
Total LD Parent, Inc. stockholders' equity	27,350,161	29,765,383
Non-controlling interest	(12,485)	246,088
Total stockholders' equity	27,337,676	30,011,471
Total liabilities and stockholders' equity	\$ 98,719,046	\$ 100,025,186

See accompanying notes to the consolidated financial statements.

LD Parent, Inc.

Consolidated Statements of Operations

Years Ended December 31,	2024	2023
Net Revenues:		
Operating revenues	\$ 39,569,188	\$ 36,442,144
Initial franchise fees	4,655,248	3,281,425
Interest, service charges and other income	1,039,616	1,272,652
Total net revenues	45,264,052	40,996,221
Costs and expenses:		
Operating and training	4,631,926	3,624,960
Manufacturing	4,984,988	4,448,823
Selling, general and administrative	25,143,559	23,300,589
Total expenses	34,760,473	31,374,372
Income from operations	10,503,579	9,621,849
Other expense:		
Loss on extinguishment of debt	—	208,183
Gain on sale of assets	(4,268)	—
Interest expense, net	5,899,759	5,879,568
Income before income taxes	4,608,088	3,534,098
Income taxes:		
Income tax expense	(1,479,125)	(1,058,719)
Consolidated net income	3,128,963	2,475,379
Less: Net loss attributable to the non-controlling interest	(258,573)	(266,398)
Net income attributable to LD Parent, Inc.	\$ 3,387,536	\$ 2,741,777

See accompanying notes to the consolidated financial statements.

LD Parent, Inc.

Consolidated Statements of Changes in Stockholders' Equity

	Parent Capital	Non- controlling interest	Total Stockholders' Equity
Balance, December 31, 2022	\$ 32,310,607	\$ 512,486	\$ 32,823,093
Distributions	(5,250,000)	—	(5,250,000)
Adoption of ASC326, net of tax	(36,500)	—	(36,500)
Loss on foreign currency translation	(501)	—	(501)
Net income (loss)	2,741,777	(266,398)	2,475,379
Balance, December 31, 2023	\$ 29,765,383	\$ 246,088	\$ 30,011,471
Distributions	(5,800,000)	—	(5,800,000)
Loss on foreign currency translation	(2,758)	—	(2,758)
Net income (loss)	3,387,536	(258,573)	3,128,963
Balance, December 31, 2024	\$ 27,350,161	\$ (12,485)	\$ 27,337,676

See accompanying notes to the consolidated financial statements.

LD Parent, Inc.

Consolidated Statements of Cash Flows

Years Ended December 31,	2024	2023
Cash flows from operating activities:		
Consolidated net income	\$ 3,128,963	\$ 2,475,379
Adjustments to reconcile consolidated net income to net cash flows provided by operating activities:		
Provision for credit losses	360,642	226,965
Depreciation	250,106	265,252
Amortization	2,364,022	2,387,578
Amortization of right-of-use asset	302,341	298,507
Deferred income taxes	(807,140)	(1,393,013)
Loss on extinguishment of debt	—	151,183
Amortization of debt issuance costs	21,989	58,736
Changes in operating assets and liabilities:		
Receivables from franchisees	103,598	(119,822)
Inventories	447,297	(283,913)
Income tax receivable	—	61,847
Prepaid commission	(1,565,346)	508,714
Prepaid expenses and other current assets	433,478	(502,849)
Other assets	—	(30,072)
Accounts payable and accrued expenses	(93,401)	(393,660)
Deferred revenue	1,176,809	(612,543)
Advertising funds	8,059	(378,040)
Franchisee deposits	1,336,810	(200,925)
Other current liabilities	(148,814)	260,374
Other liabilities	29,676	2,021
Lease obligations	(302,341)	(298,506)
Net cash flows provided by operating activities	7,046,748	2,483,213
Cash flows from investing activity:		
Proceeds from sale of property and equipment	4,268	—
Purchases of intangible assets	(40,814)	—
Purchases of property, plant and equipment	(89,381)	(169,487)
Acquisition of a business	(50,000)	—
Net cash flows used in investing activity	(175,927)	(169,487)
Cash flows from financing activities:		
Proceeds from long term debt	—	29,489,500
Repayment for long-term debt	—	(29,566,250)
Parent distributions	(5,800,000)	(5,250,000)
Payment of debt issuance costs	—	(34,816)
Net cash flows used in financing activities	(5,800,000)	(5,361,566)
Net increase (decrease) in cash and cash equivalents	1,070,821	(3,047,840)
Cash and cash equivalents, beginning of period	3,533,468	6,581,308
Cash and cash equivalents, end of period	\$ 4,604,289	\$ 3,533,468
Supplemental cash flow information:		
Interest paid	\$ 5,876,271	\$ 5,820,225
Income taxes paid	2,209,470	2,153,631
Cash paid for amounts included in the measurement of operating lease obligations	388,640	321,151
Non-cash investing and financing activities:		
Initial recognition of right-of-use asset	143,251	1,380,507

See accompanying notes to the consolidated financial statements.

LD Parent, Inc.

Notes to Consolidated Financial Statements

1. Nature of the Business

LD Parent, Inc. (the “Company” or “LD Parent”) through its wholly-owned subsidiary Lawn Doctor, Inc., grants franchises to conduct lawn care/conditioning, tree/shrub care and pest control businesses throughout the United States, consisting of the sale of services and products authorized by the Company. As of December 31, 2024 and 2023, CNL Strategic Capital, LLC owns approximately 61% of LD Parent and the remaining 39% is owned by various related parties of LD Parent.

On April 20, 2018, the Company acquired a controlling interest in Mosquito Hunters, LLC (“Mosquito Hunters”). The Company has been able to expand their services in the pest industry as a result of this acquisition. As the Company has a controlling interest, the Company consolidates Mosquito Hunters in its consolidated financial statements.

On May 24, 2019, the Company acquired a controlling interest in Ecomaid LLC (“Ecomaid”), a franchisor of residential cleaning services. Ecomaid specializes as an innovator of environmentally responsible, non-toxic residential cleaning services for families throughout the United States. The Company believes this acquisition furthers its strategy of both growing organically and also through the acquisition of additional home service brands. The Company has been able to expand their services in the home cleaning as a result of this acquisition. As the Company has a controlling interest, the Company consolidates Ecomaid in its consolidated financial statements.

On October 7, 2022, the Company acquired a controlling interest in Elite Window Cleaning, Inc. (“Elite”), a Canadian based operator and franchisor offering window cleaning, gutter cleaning and power washing services to residential and commercial customers. Elite uses a unique approach, which virtually eliminates the need for ladders on residential and low-rise commercial jobs. The acquisition of Elite was made through Elite Franchising Corp.; a wholly owned subsidiary of Sparkle Squad LLC (“Sparkle Squad”), both of which were formed by the Company to facilitate the Elite transaction and eventually launch a similar franchise system in the U.S. As the Company has a controlling interest, the Company consolidates Elite in its consolidated financial statements.

On November 18, 2024, the Company acquired substantially all of the assets of Eco Clean KY, LLC, an Ecomaid franchisee operating out of Richmond KY. See Note 3.

2. Basis of Presentation and Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements of LD Parent, Inc. include the accounts of Lawn Doctor, Inc. and its wholly-owned subsidiaries, Mosquito Hunters, LLC, Ecomaid, LLC, Sparkle Squad and Elite (collectively the “Company”). The consolidated financial statements of the Company are prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). All significant intercompany transactions and accounts have been eliminated in consolidation.

Non-controlling Interests

Non-controlling interests in consolidated subsidiaries are required to be classified as a separate component of equity in the Consolidated Balance Sheets and the amounts of net income and comprehensive income attributable to the non-controlling interests are included in consolidated net income on the face of the Consolidated Statements of Operations.

LD Parent, Inc.

Notes to Consolidated Financial Statements

The accounts of Mosquito Hunters, LLC have been included in the Company's consolidated financial statements and the affiliates' proportionate share of the net assets have been reflected in the accompanying Consolidated Balance Sheets as non-controlling interest in the amount of \$(110,124) and \$(202,002) at December 31, 2024 and 2023, respectively. Included in the years ended December 31, 2024 and 2023 Consolidated Statements of Operations is \$91,878 and \$56,661, of the non-controlling interest income allocation due to the related partial ownership of Mosquito Hunters.

The accounts of Ecomaid, LLC have been included in the Company's consolidated financial statements and the affiliates' proportionate share of the net assets have been reflected in the accompanying consolidated financial statements as non-controlling interest in the amount of \$(598,596) and \$(474,746) at December 31, 2024 and 2023, respectively. Included in the years ended December 31, 2024 and 2023 Consolidated Statements of Operations is \$(123,851) and \$(177,161), of the non-controlling interest loss allocation due to the related partial ownership of Ecomaid.

The accounts of Sparkle Squad and Elite have been included in the Company's consolidated financial statements and the affiliates' proportionate share of the net assets have been reflected in the accompanying consolidated financial statements as non-controlling interest in the amount of \$696,236 and \$922,836 at December 31, 2024 and 2023, respectively. Included in the year ended December 31, 2024 and 2023 Consolidated Statement of Operations is \$(226,600) and \$(145,898) of the non-controlling interest loss allocation due to the related partial ownership of Sparkle Squad and Elite.

Revenue Recognition

The Company recognizes revenue in accordance with ASC 606, which provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as performance obligations are satisfied

The Company has identified the following revenue streams; initial franchise fees, operating revenues which consist of: service/royalty fees from franchises, sales of parts and equipment, revenues from sales type leases, advertising revenue, and interest income related to notes receivable and loans receivables. The Company's initial franchise fees are recognized over the life of the contract. Commissions relating to such contracts are recorded as a prepaid asset and amortized over the life of the contract.

In accordance with ASC 606, the Company disaggregates its revenue from customers with contracts by revenue streams. The Company's revenue streams are presented in the following table:

Years Ended December 31,	2024	2023
Net Revenues:		
Service/royalty fees	\$ 25,368,940	\$ 23,693,686
Part and equipment sales	5,146,603	4,450,670
Advertising revenue	9,053,646	8,297,789
Initial franchise fees	4,655,247	3,281,425
Interest, service charges, and other	1,039,616	1,272,651
Total Net Revenues	\$ 45,264,052	\$ 40,996,221

LD Parent, Inc.

Notes to Consolidated Financial Statements

Service/royalty fees derived from franchises (“Service Fees”) are recognized as revenue when revenues are earned by the franchisees. The franchisees agree to pay to the Company a weekly royalty and service fee based on a percentage of the net revenues derived by the respective franchisees from the Company’s business. Revenue from sales of parts and equipment are recognized, at the point in time which control is transferred, upon shipment. Interest income related to notes receivable and loans receivable is recorded as revenue when earned (and collection is reasonably assured) in accordance with the interest method.

Initial franchise fees are deferred and recognized over the life of the contract. Commissions paid on initial franchise fees are deferred and charged to expense upon recognition of the initial fee.

Advertising funds are presented as a gross up of revenue and related cost. Advertising funds, such as the Company’s National Marketing Fund and Regional Marketing fund, promote the Company’s brand nationally and in the local markets.

In accordance with ASC 606, the Company records gross revenue related to Advertising funds which includes amounts charged by the Company to franchisees based on established contracts. Revenue related to these amounts is based on a percentage of sales of the franchisee and is recognized as earned. The sales-based royalty exception applies, and amounts are recognized as the underlying sales are done by the respective franchisees. Advertising fund revenue is deferred and is recognized as advertising expense as incurred by the Company.

Interest income mainly represents interest on notes receivable from franchisees and is recognized using the effective interest method. Service charges represent call center income, which is recognized at a point in time which the control is transferred, upon completion of calls.

Contract balances

The timing of revenue recognition may not align with the right to invoice the customer under franchisee agreements. The Company records accounts receivable when it has the unconditional right to issue an invoice and receive payment, regardless of whether revenue has been recognized. If revenue has not yet been recognized, a contract liability (deferred revenue) is recorded. Deferred revenue represents franchisee fees received that have not been earned yet. Included within the Consolidated Balance Sheets is an amount of \$8,687,188 and \$7,510,379 which represent deferred revenues as of the year ended December 31, 2024 and 2023, respectively.

Costs to obtain a contract

Broker commissions paid to brokers, as well as commissions paid to internal sales personnel, that are incremental to the acquisition of franchisee contracts are capitalized as prepaid commissions on the Consolidated Balance Sheet when the period of benefit is determined to be greater than one year. The Company elected to apply the practical expedient to expense broker and sales commissions and associated costs as incurred when the expected amortization period is one year or less. The Company determines the period of benefit for broker and sales commissions paid for the acquisition of the franchisee contract by taking into consideration the term of the franchisee agreement. Amortization is recognized on a straight-line basis over a period of approximately ten years, which is commensurate with the pattern of revenue recognition. Included within the Consolidated Balance Sheets is an amount of \$5,778,198 and \$4,212,852 which represent prepaid commissions as of the year ended December 31, 2024 and 2023, respectively.

LD Parent, Inc.

Notes to Consolidated Financial Statements

Receivables from Franchisees, net

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses (CECL). The amendments in this update introduce a new accounting model to measure credit losses for financial assets measured at amortized cost. The FASB has also issued additional ASUs to clarify the scope and provide additional guidance for ASU 2016-13. Credit losses for financial assets measured at amortized cost should be determined based on the total current expected credit losses over the life of the financial asset or group of financial assets. In effect, the financial asset or group of financial assets should be presented at the net amount expected to be collected. Credit losses will no longer be recorded under the current incurred loss model for financial assets measured at amortized cost.

The amendments were effective on January 1, 2023 for the Company, and have been applied using a modified retrospective approach with a cumulative-effect adjustment through retained earnings as of the beginning of the fiscal year upon adoption as required. While the standard modifies the measurement of the allowance for credit losses, it does not alter the credit risk of our trade or unbilled receivables.

The impact of applying the CECL methodology upon adoption was a decrease to opening retained earnings of \$50,000, less tax effect of \$13,500, primarily driven by additional reserves allocated to trade receivables aged greater than one year assumption used in the updated methodology.

Under the CECL impairment model, the Company develops and documents its allowance for credit losses service fee (trade) receivables, notes receivables, and sales type equipment leases. The determination of portfolio segments is based primarily on asset type consideration of the credit risks.

Our quantitative allowance for credit loss estimates under CECL was determined using the loss rate method, which is impacted by certain adjustments for the nature of the aged receivables. In addition to our quantitative allowance for credit losses, we also incorporated a qualitative adjustment that may relate to unique risks or other relevant factors to further inform our estimate of the allowance for credit losses.

Additionally, due to the expansion of the time horizon over which we are required to estimate future credit losses, we may experience increased volatility in our future provisions for credit losses. Factors that could contribute to such volatility include, but are not limited to, changes in the composition and credit quality of customer base, economic conditions and forecasts, the allowance for credit loss models that are used, the data that is included in the models, the associated qualitative allowance framework, and our estimation techniques.

Trade accounts receivable and unbilled receivables are recorded at invoiced amounts, net of allowance for credit losses, if applicable, and are unsecured and do not bear interest. Notes receivables reflect the outstanding balance, principal and interest, net of allowance for credit losses.

The allowance for doubtful accounts is based on the probability of future collection under the current expected credit losses impairment model. Under the CECL impairment model, the Company determines its allowance by applying a loss-rate method based on an aging schedule using the Company's historical loss rate. The Company also considers reasonable and supportable current information in determining its estimated loss rates, such as external forecasts, macroeconomic trends or other factors including customers' credit risk and historical loss experience. The adequacy of the allowance is evaluated on a regular basis. Account balances are written off after all means of

LD Parent, Inc.

Notes to Consolidated Financial Statements

collection are exhausted and the balance is deemed uncollectible. Subsequent recoveries are credited to the allowance. Changes in the allowance are recorded as adjustments to bad debt expense in the period incurred.

Prior to December 31, 2023, trade and unbilled receivables and notes receivables were presented net of allowance for doubtful accounts based on the credit risk of specific clients, past collection history, and management's evaluation of other risks.

The following table sets forth the activity in the Company's allowance for credit losses:

	Trade Receivables	Note Receivable	Sales Type Leases	Total Allowance for Credit Losses
Beginning balances at January 1, 2023	\$ 234,955	\$ 588,276	\$ —	\$ 823,231
Impact of CECL adoption	(3,650)	35,770	4,380	36,500
Current period adjustment to allowance for expected credit	157,353	69,612	—	226,965
Write-offs charged against allowance	(43,353)	(36,768)	—	(80,121)
Ending balances as of December 31, 2023	345,305	656,890	4,380	1,006,575
Current period adjustment to allowance for expected credit	286,068	53,566	21,008	360,642
Write-offs charged against allowance	(202,718)	(441,551)	(16,619)	(660,888)
Ending balances as of December 31, 2024	\$ 428,655	\$ 268,905	\$ 8,769	\$ 706,329

The Company provides franchisees with an option to finance a portion of the initial franchise fee(s) over a period of up to 96 months with interest at 12% per annum. Additionally, the Company has converted accounts receivable from certain franchisees to notes receivable. These financing arrangements entered into during the years ended December 31, 2024 and 2023 were \$369,450 and \$467,550, respectively. These financing arrangements are recorded as notes receivable and included within receivables from franchisees in the accompanying Consolidated Balance Sheets. As of December 31, 2024 and 2023, \$1,064,238 and \$2,008,382 was outstanding of which \$501,967 and \$1,080,621 was classified as a current asset, which represents the principal amounts due on the aggregate notes receivable, respectively.

The Company leases equipment to its franchisees with an option to pay in full upon execution of the lease or finance over 60, 72 or 84 months depending on the type of equipment. Interest is not to exceed 1.5% per month and the Company recognizes the imputed interest over the term of the lease. The Company records these leases as a sales-type lease in accordance with ASC 842 Leases (Note 8). Leased equipment is recorded in receivables from franchisees in the accompanying Consolidated Balance Sheets.

As of December 31, 2024, \$1,992,905 was outstanding of which \$465,266 was classified as a current asset. As of December 31, 2024, the Company recorded \$503,338 as unearned interest of which \$162,093 was classified within other current liabilities.

As of December 31, 2023, \$1,898,166 was outstanding of which \$434,170 was classified as a current asset. As of December 31, 2023, the Company recorded \$478,528 as unearned interest of which \$153,466 was classified within other current liabilities.

LD Parent, Inc.

Notes to Consolidated Financial Statements

Unearned interest beyond one year is recorded in long-term other liabilities.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results, as determined at a later date, could differ from those estimates.

Shipping Costs

Costs to ship products to franchisees are expensed to manufacturing expenses as incurred. The Company recorded shipping costs of \$161,727 and \$141,866 for the years ended December 31, 2024 and 2023, respectively.

Cash and Cash Equivalents

The Company maintains cash balances in various financial institutions located in the United States of America which, at times, may exceed federally insured limits. The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Concentration of Credit Risk

The Company maintains its cash and cash equivalents balances in a financial institution that is insured by the Federal Deposit Insurance Corporation up to \$250,000 each. At times, such balances may be in excess of the FDIC insurance limit. The Company has not experienced any losses in such accounts and management believes that the Company is not exposed to any significant credit risk with respect to the Company's cash balances.

No one franchise or vendor exceeded 10% of the Company's sales or purchases for the years ended December 31, 2024 and 2023.

No one franchise or vendor exceeded 10% of the Company's accounts receivable or payables at December 31, 2024 and 2023.

Inventories, net

Inventories are stated at the lower of cost and net realizable value. Parts and materials, included as inventory, are evaluated annually by management for net realizable value and obsolescence. At December 31, 2024 and 2023, the reserve for inventory was \$50,772 and \$109,576, respectively.

Property, Plant and Equipment, net

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation of property and equipment is computed by the straight-line method over the estimated useful lives, which approximate 39 years for building, 5 to 7 years for furniture, fixtures and other equipment and 3 to 5 years for software and transportation equipment. Improvements to leasehold property are amortized on the straight-line method over the shorter of the asset life and remaining lease term.

LD Parent, Inc.

Notes to Consolidated Financial Statements

Goodwill

As required by ASC 350, Goodwill and Other Intangible Assets (“ASC350”), the Company tests goodwill for impairment and follows ASU 2017-04 which amended ASC 350 for testing goodwill for impairment. Under ASU 2017-04, a goodwill impairment loss must be measured as the excess of a reporting unit’s carrying amount (including goodwill) over its fair value. Impairment losses are limited to the total amount of goodwill allocated to the reporting unit. Goodwill is not amortized, but instead tested for impairment at the reporting unit level at least annually and more frequently upon the occurrence of certain events. The Company has one reporting unit. A qualitative assessment is performed to assess the qualitative factors and to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount. If the reporting unit does not pass the qualitative assessment, the carrying amount of the reporting unit, including goodwill, is compared to the fair value, and goodwill is considered impaired if the carrying value of the reporting unit exceeds its fair value. The fair value is estimated under a discounted cash flow approach, supplemented with a market multiple valuation approach.

Significant estimates used in the discounted cash flow models include assumptions regarding future growth rates, terminal values, and discount rates. Any excess is recognized as an impairment loss. In conjunction with the management’s annual review of goodwill and based on the qualitative assessments performed in 2024 and 2023, the Company determined it is not more likely than not that the fair value of the reporting unit is less than the carrying amount.

Indefinite and Finite Lived Intangibles

In accordance with ASC 350, indefinite lived intangible assets are recorded at cost and are reviewed for impairment on an annual basis and whenever events or circumstances indicate that their carrying values may not be recoverable. Impairment is recorded if the carrying amount exceeds fair value. Intangible assets which have finite useful lives are amortized using the straight-line method over their useful lives and consist of franchisee and customer relationships, and a leasehold interest.

Future adverse changes in market conditions or poor operating results could result in losses or an inability to recover the carrying value of the goodwill and other intangible assets thereby possibly requiring an impairment charge in the future.

Long-lived Assets

The Company accounts for the impairment of long-lived assets in accordance with ASC 360, *Accounting for the Impairment or Disposal of Long-Lived Assets*. In accordance with ASC 360, the Company evaluates long-lived assets, including intangible assets, for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable based on expected undiscounted cash flows attributable to that asset or group of assets. The amount of any impairment is measured as the difference between the carrying value and the fair value of the impaired asset. The Company did not have any long-lived assets impairment indicators during the years ended December 31, 2024 and 2023.

Debt Issuance Costs

Costs related to financing are being capitalized and amortized straight line, which approximates the effective interest method, over the term of the related debt facilities. Debt issuance costs were \$1,832 and \$23,821 as of December 31, 2024 and 2023, respectively, and are presented as a reduction to long-term debt in the Consolidated Balance Sheets. Amortization of deferred financing costs for the years ended December 31, 2024 and 2023 was \$21,989 and \$58,736, respectively, and is recorded in interest expense in the Consolidated Statements of Operations.

LD Parent, Inc.

Notes to Consolidated Financial Statements

Income Taxes

The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of assets and liabilities.

The Company recognizes a tax benefit from an uncertain position only if it is more likely than not the position is sustainable, based solely on its technical merits and consideration of the relevant taxing authority's widely understood administrative practices and precedents. If this threshold is met, the Company measures the tax benefit as the largest amount of benefit that is greater than fifty percent likely being realized upon ultimate settlement. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits as income tax expense in the statement of operations. As of December 31, 2024 and 2023, there was no impact to the consolidated financial statements relating to accounting for uncertainty in income taxes.

Fair Value Measurements

Fair value is a market-based measurement, which is defined as the price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date. Valuation techniques for fair value measurements include the market approach (comparable market prices), the income approach (present value of future income or cash flow) and the cost approach (cost to replace the service capacity of an asset or replacement cost), which are each based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. The Company utilizes a fair value hierarchy that prioritizes inputs to fair value measurement techniques into three broad levels:

- Level 1: Observable inputs such as quoted prices for identical assets or liabilities in active markets.
- Level 2: Observable inputs other than quoted prices that are directly or indirectly observable for the asset or liability, including quoted prices for similar asset or liabilities in active markets; quoted prices for similar or identical assets or liabilities in markets that are not active; and mode-derived valuations whose inputs are observable or whose significant value drivers are observable.
- Level 3: Unobservable inputs that reflect the reporting entity's own assumptions.

The Company's material financial instruments at December 31, 2024 and 2023, for which disclosure of estimated value is required by certain accounting standards, consisted primarily of cash and cash equivalents, receivables from franchisees, accounts payable, accrued expenses, and long-term debt. Cash and cash equivalents, receivables from franchisees, accounts payable, and accrued expenses are considered Level 1 due to their short-term nature and their market interest rates. The carrying value of long-term debt, which the Company does not record at fair value, approximates fair value due to the variable interest rate associated with this financial instrument which reflects market rates and is considered Level 2.

LD Parent, Inc.

Notes to Consolidated Financial Statements

Business Acquisitions

The Company accounts for business combinations in accordance with ASC 805 Business Combinations. ASC 805 requires business combinations to be accounted for using the purchase method of accounting and includes specific criteria for recording intangible assets separate from goodwill. Results of operations of acquired businesses are included in the financial statements of the acquiring company from the date of acquisition. Assets acquired and liabilities assumed of the acquired company are recorded at their fair value at the date of acquisitions.

Leases

The Company engages in leasing activity as both a lessee and a lessor.

The Company accounts for leases pursuant to ASC Topic 842, *Leases*, which the Company adopted effective January 1, 2022, using the modified retrospective method of adoption. The Company elected the package of practical expedients, which, among other items, permits the Company not to reassess under the new standard its prior conclusions about lease identification and initial direct costs. The Company also elected the short-term lease recognition exemption for all leases that qualify. Under this election, the Company does not recognize right-of-use assets or lease liabilities for leases with a term of 12 months or less. The Company also elected to not separate lease and non-lease components for all leases.

Lessee

The Company enters into operating leases and determines whether an arrangement is a lease at inception of the arrangement. The Company accounts for a lease when it has the right to control the leased asset for a period of time while obtaining substantially all of the assets' economic benefits. Leases are classified as operating or finance leases at the lease commencement date. A lease is classified as a finance lease if any one of the following criteria are met:

1. The lease transfers ownership of the asset at the end of the lease term.
2. The lease contains an option to purchase the asset that is reasonably certain to be exercised.
3. The lease term is for a major part of the remaining useful life of the asset, or
4. The present value of the lease payments equals or exceeds substantially all of the fair value of the asset.

A lease is classified as an operating lease if it does not meet any one of these criteria. The Company currently only has operating leases as a lessee. The operating leases consist primarily of facility space, vehicles, and office equipment.

Lease liabilities are recognized at the lease commencement date based on the estimated present value of future minimum lease payments over the lease term, excluding lease incentives and initial direct costs incurred, if any. Lease liabilities represent the company's obligation to make lease payments arising from the lease and Right-of-Use (ROU) assets represent the Company's right to use an underlying asset for the lease term. The discount rate used to determine the present value of the lease payments is the Company's incremental borrowing rate based on the information available at lease inception, as generally an implicit rate in the lease is not readily determinable. The Company's leases do not include residual value guarantees or covenants.

LD Parent, Inc.

Notes to Consolidated Financial Statements

Lease expense for operating leases with original terms of less than 12 months is recognized on a straight-line basis over the lease term.

When determining the lease term at inception, options to extend or renew leases are included in the measurement and recognition of ROU asset and liability when it is reasonably certain that the Company will exercise the option. The Company considers various economic factors when making the determination, including, but not limited to, the significance of leasehold improvements incurred in the facility space, the difficulty in replacing the lease, underlying contractual obligations, or specific characteristics unique to a particular lease. Subsequent to entering a lease, if it becomes reasonably certain that the Company will exercise an option that was not included in the lease term, the Company accounts for the change in circumstances as a lease modification, which results in the remeasurement of the ROU asset and liability as of the modification date. The Company continually evaluates whether facts or circumstances indicate it is reasonably certain that it will exercise an option.

Lessor

The Company classifies leases as sales-type based on the results of the classification tests in accordance with ASC 842 and has elected, as an accounting policy, to present all funds collected from lessees for sales and other similar taxes net of the related sales tax expense for all lessor leases. The Company also excludes executory costs from lease accounting if the lessee's payments of those costs are made to a third party (e.g. taxing authority or insurer).

Advertising Expenses

The Company expenses its advertising costs the first time the advertising takes place. All advertising costs are expensed as incurred. Total advertising expense recorded in selling, general, and administrative expense within the Consolidated Statements of Operations was \$704,758 and \$783,196 for the years ended December 31, 2024 and 2023, respectively.

The Company incurs regional advertising costs, which are repaid weekly by franchisees based upon their cash receipts. The balances are reported as prepaid or accrued expenses at year-end.

3. Acquisitions

2024 Formation of EM Corporate - Lexington Richmond LLC and Acquisition of Eco Clean KY LLC

On October 9, 2024 the Company formed a new limited liability company, EM Corporate - Lexington Richmond LLC, to operate a corporate location. Subsequently, on November 18, 2024, Ecomaid LLC entered into an agreement to acquire substantially all of the assets of Eco Clean KY, LLC, an Ecomaid franchisee operating out of Richmond KY.

Total consideration was a \$50,000 cash payment by the Company. The acquisition was accounted for as a business combination using the acquisition method of accounting in accordance with Accounting Standards Codification ("ASC") 805, Business Combinations. In accordance with ASC 805 Business Combinations, acquisition related costs must be accounted for separately from the business combination and are not part of the consideration transferred. In

LD Parent, Inc.

Notes to Consolidated Financial Statements

connection with the acquisition, the Company incurred \$19,694 in acquisition related costs which is included in the selling, general and administrative expenses in the Consolidated Statements of Operations.

The allocation of the total consideration paid of the Company's net tangible and identifiable intangible assets was based upon the estimated fair value, using available information at acquisition date, of those assets as of November 18, 2024. The Company allocated the excess of purchase price over the identifiable intangible and net tangible assets to goodwill and expected synergies with the Company's existing operations. To the extent the Company has a tax basis in goodwill and intangibles, it is deductible over 15 years.

The following table presents the breakdown between purchase consideration and the allocation of the total purchase price:

Acquired tangible assets and liabilities:

Property and equipment	\$	41,685
Net tangible assets		41,685

Identifiable intangible assets:

Goodwill		8,315
Total purchase consideration	\$	50,000

The Company estimated the fair value of property and equipment and intangible assets using the income, cost and market approaches to value the related assets. Fair values were determined by management. .

The consolidated financial statements include results of operations following the Lexington acquisition for the period from November 18, 2024 through December 31, 2024.

The Company follows Account Standards Update (ASU) 2021-08, Business Combinations (Topic 805) – Accounting for Contract Assets and Contract Liabilities from Contracts with Customers. ASU 2021-08 requires that an entity (acquirer) recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606, as if it had originated the contracts.

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LD Parent, Inc.

Notes to Consolidated Financial Statements

4. Receivables from Franchisees, net

December 31,	2024	2023
Amounts billed and currently receivable from franchisees	\$ 2,574,427	\$ 2,489,508
Notes receivable from franchisees	501,967	1,080,621
Net investment in sales type leases	465,266	434,170
Less: Allowance for credit losses	(706,329)	(1,006,575)
Current portion	2,835,331	2,997,724
Notes receivable from franchisees	562,271	927,761
Net investment in sales type leases	1,527,639	1,463,996
Noncurrent portion	2,089,910	2,391,757
Receivables from Franchisees, net	\$ 4,925,241	\$ 5,389,481

The Company wrote off uncollectible accounts totaling \$660,888 and \$80,121 for the years ended December 31, 2024 and 2023, respectively.

5. Inventories, net

December 31,	2024	2023
Raw materials	\$ 158,373	\$ 183,324
Work-in-progress	215,931	428,373
Finished goods	1,894,545	2,104,449
Inventories, net	\$ 2,268,849	\$ 2,716,146

6. Property, Plant and Equipment, net

Property, plant and equipment consist of the following:

December 31,	2024	2023
Land	\$ 440,304	\$ 440,304
Building	1,126,624	1,126,624
Furniture, fixtures and other equipment	1,447,095	1,312,309
Leasehold improvements	541,418	549,406
Gross property	3,555,441	3,428,643
Less: accumulated depreciation	(1,419,508)	(1,169,402)
Property, plant and equipment, net	\$ 2,135,933	\$ 2,259,241

Depreciation expense totaled \$250,106, and \$265,252 for the years ended December 31, 2024 and 2023, respectively, and is included within selling, general and administrative expenses in the Consolidated Statements of Operations.

LD Parent, Inc.

Notes to Consolidated Financial Statements

7. Goodwill

The following is a summary of goodwill as of December 31, 2024 and 2023:

Balance as of January 1, 2023	\$	38,871,101
Additions		—
Balance as of December 31, 2023		38,871,101
Addition due to EM Lexington acquisition (Note 3)		8,315
Balance as of December 31, 2024	\$	38,879,416

8. Intangibles, net

Intangibles are summarized as follows:

December 31,	2024	2023	Useful Life
Franchisee and customer relationships	\$ 34,940,000	\$ 34,940,000	10-15 years
Trade name	12,398,201	12,357,388	Indefinite
Systems-in-place	6,800,000	6,800,000	Indefinite
Gross intangibles	54,138,201	54,097,388	
Less: accumulated amortization	(15,900,524)	(13,536,502)	
Intangibles, net	\$ 38,237,677	\$ 40,560,886	

Amortization expense totaled \$2,364,022 and \$2,387,578 for the years ended December 31, 2024 and 2023, respectively, and is included within selling, general and administrative expenses in the Consolidated Statements of Operations.

The weighted average useful life of the Company's finite-lived intangible assets acquired during the year 2024 was 8.9 years as of December 31, 2024.

Estimated future amortization expense of franchisee and customer relationships and leasehold interest at December 31, 2024 is as follows:

Years ending December 31,	
2025	\$ 2,355,061
2026	2,355,061
2027	2,355,061
2028	2,355,061
2029	2,355,061
2030 and thereafter	7,264,171
	\$ 19,039,476

LD Parent, Inc.

Notes to Consolidated Financial Statements

9. Leases

The Company currently has operating leases for its facility space, vehicles, and postage equipment. These leases are used for the operations of the business and are mostly located in the state of New Jersey. The initial lease term and whether the Company has the option to renew are outlined below:

- Facility space – 10 years with the option to renew
- Vehicles – 2 to 10 years with no option to renew
- Postage equipment – 5 years with no option to renew

The option to renew was not included in the calculation of the liability and ROU asset for the facility space since it was not reasonably certain the Company would exercise this option at the effective date of ASC 842.

The components of lease expense were as follows:

Year ending December 31,	2024	2023
Operating lease cost	\$ 302,341	\$ 298,507
Short-term lease cost	—	—
Total lease cost	\$ 302,341	\$ 298,507

The weighted-average remaining lease term and discount rate for operating leases, for the year ended December 31, 2024, are as follows:

Operating leases	2024	2023
Weighted-average remaining lease term	3.44 years	4.37 years
Weighted-average discount rate	6.93%	6.75 %

The following table indicates the financial statement lines where the Company's operating lease liabilities and ROU assets are included in the Consolidated Balance Sheets:

	2024	2023	Balance sheet classifications
Assets:			
Operating lease ROU assets	\$ 1,155,282	\$ 1,314,373	Right-of-use asset
Total lease assets	\$ 1,155,282	\$ 1,314,373	
Liabilities:			
Current operating lease liabilities	\$ 320,560	\$ 275,352	Current portion of lease obligations
Non-current operating lease	834,722	1,039,021	Lease obligations, net of current
Total lease liabilities	\$ 1,155,282	\$ 1,314,373	

LD Parent, Inc.

Notes to Consolidated Financial Statements

Future minimum lease payments under non-cancelable operating leases as of December 31, 2024, are as follows:

	<u>Operating leases</u>
2025	\$ 388,537
2026	353,415
2027	355,065
2028	<u>199,679</u>
Total minimum lease payments	1,296,696
Less: Amounts representing interest	<u>141,414</u>
Present value of lease payments	<u><u>\$ 1,155,282</u></u>

The Company's lessor portfolio consists of sales-type leases. The Company's has over 100 leases consisting of three types of lawn care equipment. Leases to the franchisees have an initial term of five to seven years with the option to renewal. Option periods were not included. The Company leases three types of lawn care equipment to its franchisees, including (i.) Turf Tamer Walk Behind, (ii.) Turf Tamer Stand-on Applicator, and (iii.) Turf Tamer Power Seeder.

Income from sales-type leases is recorded within the equipment revenue line item in the Consolidated Statements of Operations. The Company's income from sales-type leases at December 31, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Interest income	\$ 116,371	\$ 116,687
Variable lease income	<u>—</u>	<u>—</u>
Total sales-type income	\$ 116,371	\$ 116,687

The net investment in sales-type leases as of December 31, 2023 and 2022 were as follows:

	<u>2024</u>	<u>2023</u>
Lease receivables	\$ 1,992,905	\$ 1,898,166
Unguaranteed residual assets	<u>—</u>	<u>—</u>
Net investment in sales-type	\$ 1,992,905	\$ 1,898,166

LD Parent, Inc.

Notes to Consolidated Financial Statements

Future minimum payments to be received as lessor under non-cancelable sales-type leases as of December 31, 2024, were as follows:

	<u>Sales-type leases</u>
2025	\$ 422,788
2026	410,772
2027	354,125
2028	304,703
2029	233,240
2030 and thereafter	<u>267,277</u>
Total minimum lease payments	1,992,905
Less: Amounts representing interest	<u>630,193</u>
Present value of lease payments	<u>\$ 1,362,712</u>

10. Borrowing Arrangements

Credit Agreements

On February 7, 2018, in conjunction with the acquisition by CNL Strategic Capital, LLC (“CNLSC”), the Company entered into an amendment to their Credit Agreement dated December 12, 2014. The amendment permitted the repayment of all of the outstanding principal amount of Subordinated Debt as of the date of the agreement, issuances up to \$18,000,000 of subordinated second lien indebtedness, increase in the Term Loan by \$6,000,000 and extended the maturity date to February 7, 2023. The amendment also contains revisions to the restrictive covenants inclusive of senior debt to adjusted EBITDA ratio, total debt to adjusted EBITDA ratio, fixed charge ratio, and excess cash flow. The Revolving Loan Commitment remained unchanged. The Revolving Loan Commitment was payable upon maturity on December 11, 2019. This was later amended in March 2019 to extend the maturity date to February 7, 2023 and clarify certain definitions in the prior amendment.

On August 11, 2021, the Company entered into a new amendment to their Credit Agreement dated December 12, 2014. The amendment increased the Term Loan by \$10,700,000 and extended the maturity date for the Term Loan as well as the Revolving Loan Commitment to February 7, 2025. The amendment was treated as a debt modification.

On June 30, 2023 the Company entered into a new credit agreement with a LD Strategic DEBT CO, LLC, related party in the amount of \$29,489,500. The proceeds from the loan were used to pay down the existing loan in full. The Company wrote off \$208,183 as loss on extinguishment of debt, comprised \$151,183 of unamortized deferred financing costs and \$57,000 in legal costs in connection with the extinguishment of the existing credit agreement at June 30, 2023 which also included the revolving loan commitment. The new credit agreement has no required installment payments until the maturity date, which was subsequently extended from February 7, 2025 to August 6, 2029. The outstanding balance is to be due and payable. The Credit Agreement also provides for annual prepayment of principal based on excess cash flow (as defined in the Credit Agreement). During the years ended December 31, 2024 and 2023, the Company did not make a prepayment based on excess cash flow. The Credit Agreement also provides for the maintenance of certain financial ratios, including leverage and fixed charge ratios. At December 31, 2024 and 2023, the Company was in compliance with all of its covenant requirements. At December 31, 2024 and 2023, \$29,489,500 was outstanding on the Term Loan.

The interest rate on the Credit Agreement varies depending if the Term Loan is a Base Rate Loan or a SOFR Loan. At December 31, 2023, the Company elected to treat the Credit Agreement as a SOFR Loan, which carried an effective interest rate of 9.94%.

LD Parent, Inc.

Notes to Consolidated Financial Statements

	2024	2023
Long-term debt	\$ 29,489,500	\$ 29,489,500
Less: Current portion	—	—
Less: Deferred financing costs	(1,832)	(23,821)
Long-term debt, net	\$ 29,487,668	\$ 29,465,679

Note Purchase Agreement

On February 7, 2018, in conjunction with the acquisition, the Company entered into a Note Purchase Agreement for an \$18,000,000 aggregate principal amount of senior secured notes with related parties. The notes are subordinate to the Credit Agreement noted above. The notes contain an annual interest rate of 16% and were payable upon maturity on August 7, 2023, which was subsequently extended to February 7, 2030, based on a sixth amendment to Note Purchase Agreement entered into on February 5, 2024. Payment of the notes is due in full on the maturity date. The Company may prepay the notes at a premium based upon the schedule set forth in the note purchase agreement. The note purchase agreement is collateralized by substantially all assets of Lawn Doctor, Inc. and was guaranteed by the Company. The note purchase agreement also provides for the maintenance of certain financial ratios, including leverage and fixed charge ratios. At December 31, 2024 and 2023, the Company was in compliance with all of its covenant requirements. At December 31, 2024 and 2023, \$18,000,000 was outstanding on the Note Purchase Agreement with related parties.

Repayment of borrowing arrangements is as follows:

Years ending December 31,	
2029	\$ 29,489,500
2030	18,000,000
	\$ 47,489,500

11. Accounts Payable and Accrued Expenses

	2024	2023
Accounts payable	\$ 384,806	\$ 317,174
Accrued expenses	1,834,818	2,158,136
Deferred franchise package costs	1,424,109	1,261,824
Accounts payable and accrued expense	\$ 3,643,733	\$ 3,737,134

12. Commitments and Contingencies

Employment Agreement

The Company has an employment agreement with a key executive which provides for an annual base salary plus an incentive bonus which is payable upon the achievement of certain defined financial benchmarks. The agreement was amended in 2018 to renew automatically for an additional one-year term unless the agreement is earlier terminated by either party. The agreement also includes a non-compete clause should the employee be terminated under specific terms of the agreement.

Employee Benefit Plan

LD Parent, Inc.

Notes to Consolidated Financial Statements

The Company has a 401(k) savings retirement plan for all eligible employees. The plan allows for employee contributions to be matched by the Company on a pro rata basis. Contributions made to the plan by the Company, including fees, were \$143,492 and \$139,500 for the years ended December 31, 2024 and 2023, respectively.

Litigation

The Company is party to various legal proceedings that arise in the normal course of business. In the present opinion of management, none of these proceedings, individually or in the aggregate, are likely to have a material adverse effect on the consolidated financial position or consolidated results of operations or cash flows of the Company. However, management cannot provide assurance that any adverse outcome would not be material to the Company's consolidated financial position or consolidated results of operations or cash flows.

13. Related Party Balances and Transactions

See Note 10 for credit agreement and note purchase agreement with the stockholders of LD Parent. The Company made distributions to its stockholders of \$5,800,000 and \$5,250,000 during the year ended December 31, 2024 and 2023, respectively.

14. Income Taxes

Deferred income taxes result from timing differences in the recognition of income and expenses for income tax and financial reporting purposes.

Net deferred tax assets and liabilities are summarized as follows:

December 31,	2024	2023
Employee compensation	\$ 453,171	\$ 450,312
Accounts receivable	135,011	171,677
Inventory	13,072	27,988
Partnership interest	807,393	971,781
Deferred revenue	820,899	892,631
Interest limitation	1,267,346	719,102
Lease liability	267,501	—
Foreign net operating loss	203,528	90,322
Valuation allowance	(487,291)	(327,391)
Deferred tax assets	3,480,630	2,996,422
Property and equipment	(569,439)	(331,465)
Intangible assets	(9,298,130)	(9,856,241)
Other	(8,403)	(11,198)
Deferred tax liabilities	(9,875,972)	(10,198,904)
Net deferred income tax liabilities	\$ (6,395,342)	\$ (7,202,482)

In assessing the realizability of deferred tax assets, management considers whether it is more-likely-than-not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities (including the impact of available carryback and carryforward periods), projected future taxable income, and tax-planning strategies in

LD Parent, Inc.

Notes to Consolidated Financial Statements

making this assessment. Based on this analysis, the Company has determined that a valuation allowance on certain deferred tax assets related to Sparkle Squad, LLC were

appropriate due to lack of predictable income. As of December 31, 2024 and December 31, 2023, the Company maintained a valuation allowance in the amount of \$487,291 and \$327,094 respectively.

A summary of current and deferred income taxes included in the Consolidated Statements of Operations is as follows:

Year Ended December 31,	2024	2023
Current:		
Federal	\$ 1,718,652	\$ 1,815,919
State	567,613	635,213
Current tax expense	2,286,265	2,451,132
Deferred:		
Federal	(696,368)	(1,079,171)
State	(100,702)	(233,434)
Foreign	(10,070)	(79,808)
Deferred benefit	(807,140)	(1,392,413)
Total tax expense (benefit)	\$ 1,479,125	\$ 1,058,719

The Company's effective income tax rate reconciles with the federal statutory rate as follows:

Years Ended December 31,	2024	2023
Federal statutory rate	21.0 %	21.0 %
State income taxes, net of federal tax benefit	5.6	5.1
Foreign taxes	(0.4)	(2.2)
Non-deductible expenses	0.1	0.1
Non-controlling interest	0.1	0.7
Return to provision adjustment	0.8	2.1
State Rate Changes	1.2	—
Change in valuation allowance	3.5	2.0
Other	0.1	1.1
Effective income tax rate on income before taxes	32.0 %	29.9 %

As of December 31, 2024, the Company has not identified any uncertain tax positions. The Company does not anticipate that the total amount of the unrecognized tax benefits will change significantly within the next twelve months. The Company has analyzed its filing positions in all of the jurisdictions where it is required to file income tax returns, as well as all open years in these jurisdictions. Generally, tax years open for examination include the year 2020 and forward.

LD Parent, Inc.

Notes to Consolidated Financial Statements

15. Stock-Based Compensation

Share Options

Stock Options are issued by LD Parent pursuant to its 2018 Stock Incentive Plan (“the Plan”). The related stock-based compensation is pushed down to its subsidiary and recorded by the Company. The Company follows ASC 718, *Share-Based Payment*, for recording stock-based compensation. The fair value of each time-based and performance-based option award is estimated on the date of grant using a Black-Scholes option pricing model. These options, along with performance-based options, will be expensed when such events are deemed probable. Expected volatility is based on historical volatility of an appropriate industry sector index and other factors. The expected term of options with fixed exercise prices is derived by using the midpoint between vesting and expiration as the expected term of the option grant which is permitted under the guidance. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant. No stock options were granted during the years ended December 31, 2024 and 2023.

A summary of assumptions is presented below in connection with 2018 grants:

Expected volatility	23 %
Expected term (years)	5
Expected dividend yield	—
Risk-free interest rate	1.81 %

	Stock Options			Non-Exercisable	Exercisable
	Number of stock option shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)		
Outstanding at December 31, 2022	891	\$ 3,931	5.30	—	89
Granted	—	—	—	—	—
Exercised	—	—	—	—	—
Forfeited or expired	—	—	—	—	—
Outstanding at December 31, 2023	891	\$ 3,931	4.30	—	89
Granted	—	—	—	—	—
Exercised	—	—	—	—	—
Forfeited or expired	—	—	—	—	—
Outstanding at December 31, 2024	891	\$ 3,931	3.30	—	89

The Company has time-based share-based compensation arrangements under the Plan, which vest over 5 years. In addition to time-based awards, the Company has performance-based awards which vest upon meeting certain financial metrics.

For the years ended December 31, 2024 and 2023, the Company recorded expense of \$0 and \$0, respectively, in selling, general, and administrative expenses for stock-based compensation. Unamortized stock-based compensation at December 31, 2024 and 2023 was \$0.

LD Parent, Inc.

Notes to Consolidated Financial Statements

16. Subsequent Events

Management has reviewed and evaluated all events and transactions as of March 17, 2025, the date that the consolidated financial statements were available for issuance.

The Company purchased the assets of one of its' franchise locations in January 2025 for cash proceeds in the amount of \$1,729,309. The transaction is expected to be accounted for as a business combination pursuant to ASC 805.

GUARANTEE OF PERFORMANCE

GUARANTEE OF PERFORMANCE

For value received, **LD PARENT, INC.**, a Delaware corporation located at 142 State Route 34, Holmdel, New Jersey 07733 (the "Guarantor"), absolutely and unconditionally guarantees to assume the duties and obligations of **MOSQUITO HUNTERS, LLC**, a Delaware limited liability company located at 142 State Route 34, Holmdel, New Jersey 07733 (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2026 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Holmdel, New Jersey on the 29th day of April, 2026.

Guarantor:

LD PARENT, INC.

By: 

Scott D. Frith

Title: President

EXHIBIT J

STATE ADDENDA AND AGREEMENT RIDERS

NO WAIVER OR DISCLAIMER OF RELIANCE IN CERTAIN STATES

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

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

ADDITIONAL DISCLOSURES FOR THE MULTI-STATE FRANCHISE DISCLOSURE DOCUMENT OF MOSQUITO HUNTERS, LLC

The following are additional disclosures for the Franchise Disclosure Document of MOSQUITO HUNTERS, LLC required by various state franchise laws. Each provision of these additional disclosures will not apply unless, with respect to that provision, the jurisdictional requirements of the applicable state franchise registration and disclosure law are met independently without reference to these additional disclosures.

CALIFORNIA

1. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT 14 DAYS PRIOR TO THE EXECUTION OF ANY AGREEMENT.

2. SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF FINANCIAL PROTECTION & INNOVATION BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

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

4. **The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.**

5. The following risk factor is added to the Special Risks to Consider About *This* Franchise Page:

The franchise agreement contains provisions requiring you to agree to shorten the statute of limitations to bring claims and waive your right to punitive or exemplary damages against the franchisor or any of its representatives, limiting your recovery to actual damages. Under California Corporations Code section 31512, these provisions are not enforceable in California for any claims you may have under the California Franchise Investment Law.

6. The following is added to the end of Item 3:

Neither MH, nor any person in Item 2 of the Disclosure Document, 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 person from membership in that association or exchange.

7. The following sentence is added to the “Remarks” column of the line-item titled “Interest” in Item 6:

The highest interest rate allowed under California law is 10% annually.

8. The following sentence is added to the end of Item 10:

Notwithstanding anything to the contrary above, MH will not require any franchisee to pay an interest rate higher than the interest rate permitted under California law.

9. The following paragraphs are added to the end of Item 17:

California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees concerning termination, transfer, or non-renewal of a franchise. If the Agreement contains a provision that is inconsistent with the law, and the law applies, then the law will control.

The Agreement contains a covenant not to compete that extends beyond termination of the franchise. This provision might not be enforceable under California law.

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

The Agreement requires application of the laws of the State of New Jersey. This provision might not be enforceable under California law.

The Agreement requires binding arbitration at a location specified by the arbitrator within 10 miles of MH’s principal place of business at the time the arbitration demand is filed. You will be required to travel to that location and pay the expenses you incur in any such arbitration proceeding. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

You must sign a general release of claims if you renew or transfer your franchise. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 – 31516). Business

and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

Section 31512.1 provides that any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

- (a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.
- (b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.
- (c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.
- (d) Violations of any provision of this division.

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

ILLINOIS

1. The following statements are added to the end of Item 17:

Except for the Federal Arbitration Act that applies to arbitration, Illinois law governs the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisees' rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

MARYLAND

1. The following language is added to the end of the “Summary” sections of Item 17(c), titled Requirements for franchisee to renew or extend, and Item 17(m), titled Conditions for franchisor approval of transfer:

Any release required as a condition of renewal and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law. (The form of general release that MH currently intends to use in connection with franchise transfers and renewals is included in the Assignment and Assumption Agreement appearing at Exhibit C of this Disclosure Document.)

2. The following language is added to the end of the “Summary” section of Item 17(h), titled “Cause” defined – non-curable defaults:

Termination upon insolvency might not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.), but MH will enforce it to the extent enforceable.

3. The “Summary” section of Item 17(v), titled Choice of forum, is amended to read as follows:

Arbitration of most disputes within 10 miles of MH’s then current principal office (currently in New Jersey), except that, subject to your arbitration obligation, and to the extent required by the Maryland Franchise Registration and Disclosure Law, you may bring an action in Maryland.

4. The “Summary” section of Item 17(w), titled Choice of law, is amended to read as follows:

New Jersey law generally applies, except for Federal Arbitration Act, other federal law, and claims arising under the Maryland Franchise Registration and Disclosure Law.

5. The following paragraphs are added to the end of Item 17:

You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after the grant of the franchise.

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

MINNESOTA

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 CALENDAR DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 CALENDAR DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

1. The following sentence is added to the “Remarks” column of the “Interest on Late Payments” line-item in Item 6:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 604.113, which puts a cap of \$30 on service charges.

2. The following paragraph is added to the end of Item 13:

MH will indemnify you against and reimburse you for all damages for which you are held liable in any proceeding arising out of your use of any Mark pursuant to and in compliance with the Agreement, and for all costs you reasonably incur in defending any such claim brought against you or in any such proceeding in which you are named as a party, provided that you have timely notified MH of such claim or proceeding and have otherwise complied with the Agreement.

3. The following language is added to the end of the “Summary” sections of Item 17(c), titled Requirements for franchisee to renew or extend, and Item 17(m), titled Conditions for franchisor approval of transfer by franchisee:

Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

4. The following paragraphs are added to the end of Item 17:

For franchises governed by the Minnesota Franchises Law, MH will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that you 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, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit MH from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Disclosure Document or agreements can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. However, MH and you will enforce these provisions in the Agreement to the extent the law allows.

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

NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT E OR YOUR PUBLIC LIBRARY FOR RESOURCES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY.

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE

THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following language is added to the end of Item 3 of the Franchise Disclosure Document:

Except as provided above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

- A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
- B. No such party has pending actions, other than routine litigation incidental to the business, that are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.
- C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-years immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
- D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 5 of the Franchise Disclosure Document:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

4. The following language is added to the end of the “Summary” sections of Item 17(c), titled Requirements for a franchisee to renew or extend, and Item 17(m), titled Conditions for franchisor approval of transfer:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; this proviso intends that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

5. The following language replaces the “Summary” section of Item 17(d) of the Franchise Disclosure Document, titled Termination by franchisee:

You may terminate the agreement on any grounds available by law.

6. The following language is added to the end of the “Summary” sections of Item 17(v), titled Choice of forum, and Item 17(w), titled Choice of law:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

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

8. Receipts. Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting 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.

RHODE ISLAND

1. The “Summary” section of Item 17(v), titled Choice of forum, is amended to read as follows:

Arbitration of most disputes within 10 miles of MH’s then current principal office (currently in New Jersey), except that, subject to your arbitration obligation, and to

the extent required by the Rhode Island Franchise Investment Act, you may bring an action in Rhode Island.

2. The “Summary” section of Item 17(w), titled Choice of law, is amended to read as follows:

New Jersey law generally applies, except for Federal Arbitration Act, other federal law, and claims arising under the Rhode Island Franchise Investment Act.

VIRGINIA

1. The following is added to the end of the “Summary” section of Item 17(h) of the Franchise Disclosure Document, captioned “‘Cause’ defined – non-curable defaults”:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement do not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

2. The following language is added to the end of the “Summary” section of Item 17(r) of the Franchise Disclosure Document, captioned “Non-competition covenants after the franchise is terminated or expires”:

Effective July 1, 2026, under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act (“Act”), it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

3. The following language is added to the end of the “Summary” section of Item 17(w) of the Franchise Disclosure Document, captioned “Choice of Law”:

Effective July 1, 2026, under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

4. The following paragraph is added to the end of Item 17 of the Franchise Disclosure Document:

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

**THE FOLLOWING PAGES ARE
STATE-SPECIFIC RIDERS TO THE
FRANCHISE AGREEMENT**

**RIDER TO
MOSQUITO HUNTERS, LLC
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF CALIFORNIA
BETWEEN MOSQUITO HUNTERS, LLC
AND _____
DATED _____**

THIS RIDER is made and entered into by and between MOSQUITO HUNTERS, LLC, a Delaware limited liability company, with its principal office at 142 State Route 34, Holmdel, New Jersey 07733 (the "COMPANY"), and _____, d/b/a Pest Hunters-Mosquito Hunters-Humbug Holiday Lighting of _____, whose principal address is _____ ("FRANCHISEE"), as of the date signed by the COMPANY and set forth opposite the COMPANY's signature on this Rider (the "Rider Date").

1. **BACKGROUND.** The COMPANY and FRANCHISEE are parties to that certain Franchise Agreement dated _____, 20__ (the "Franchise Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) any of the franchise offer or sales activity relating to the Franchise Agreement occurred in the State of California and FRANCHISEE is a California resident, or (b) the PEST HUNTERS-MOSQUITO HUNTERS-HUMBUG HOLIDAY LIGHTING business will operate in California

2. The following language is added after Section 17 of the Franchise Agreement:

The provisions of Section 310.114.1(c)(5)(A) and (B) of California's franchise regulations are applicable to this Agreement.

IN WITNESS WHEREOF, the parties have executed this Rider on the Rider Date.

MOSQUITO HUNTERS, LLC

By: _____
Title: _____
Date: _____

FRANCHISEE

Date: _____

FRANCHISEE

Date: _____

**RIDER TO
MOSQUITO HUNTERS, LLC
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF ILLINOIS
BETWEEN MOSQUITO HUNTERS, LLC
AND _____
DATED _____**

THIS RIDER is made and entered into by and between MOSQUITO HUNTERS, LLC, a Delaware limited liability company, with its principal office at 142 State Route 34, Holmdel, New Jersey 07733 (the “COMPANY”), and _____, d/b/a Pest Hunters-Mosquito Hunters-Humbug Holiday Lighting of _____, whose principal address is _____ (“FRANCHISEE”), as of the date signed by the COMPANY and set forth opposite the COMPANY’s signature on this Rider (the “Rider Date”).

1. **BACKGROUND.** The COMPANY and FRANCHISEE are parties to that certain Franchise Agreement dated _____, 20__ (the “Franchise Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) any of the offer or sales activity relating to the Franchise Agreement occurred in Illinois and the PEST HUNTERS-MOSQUITO HUNTERS-HUMBUG HOLIDAY LIGHTING business that FRANCHISEE will operate under the Franchise Agreement will be located in Illinois, or (b) FRANCHISEE is a resident of Illinois.

2. **GOVERNING LAW.** Section 15.G of the Franchise Agreement is deleted in its entirety and replaced with the following:

Except for the Federal Arbitration Act that applies to arbitration, Illinois law governs the Franchise Agreement.

3. **JURISDICTION.** Section 15.H of the Franchise Agreement is deleted in its entirety and replaced with the following:

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

4. **WAIVER OF JURY TRIAL.** The following language is added to the end of Section 15.J of the Franchise Agreement:

However, this waiver shall not apply to the extent prohibited by Section 705/41 of the Illinois Franchise Disclosure Act of 1987 or Illinois Regulations at Section 260.609.

5. **ILLINOIS FRANCHISE DISCLOSURE ACT.** The following language is added as a new Section 18 of the Franchise Agreement:

18. **ILLINOIS FRANCHISE DISCLOSURE ACT.**

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act or any other law of Illinois is void. However, that Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any provision of the Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

IN WITNESS WHEREOF, the parties have executed this Rider on the Rider Date.

MOSQUITO HUNTERS, LLC

By: _____
Title: _____
Date: _____

FRANCHISEE

Date: _____

FRANCHISEE

Date: _____

**RIDER TO
MOSQUITO HUNTERS, LLC
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF MARYLAND
BETWEEN MOSQUITO HUNTERS, LLC
AND _____
DATED _____**

THIS RIDER is made and entered into by and between MOSQUITO HUNTERS, LLC, a Delaware limited liability company, with its principal office at 142 State Route 34, Holmdel, New Jersey 07733 (the “COMPANY”), and _____, d/b/a Pest Hunters-Mosquito Hunters-Humbug Holiday Lighting of _____, whose principal address is _____ (“FRANCHISEE”), as of the date signed by the COMPANY and set forth opposite the COMPANY’s signature on this Rider (the “Rider Date”).

1. **BACKGROUND.** The COMPANY and FRANCHISEE are parties to that certain Franchise Agreement dated _____, 20__ (the “Franchise Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) FRANCHISEE is a resident of Maryland, or (b) the PEST HUNTERS-MOSQUITO HUNTERS-HUMBUG HOLIDAY LIGHTING business that FRANCHISEE will operate under the Franchise Agreement will be located in Maryland.

2. **ACKNOWLEDGMENTS.** The following language is added to the end of Section 1.B and Section 15.C of the Franchise Agreement:

Such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

3. **PREAMBLES.** Sections 1.B(4) through 1.B(6) are hereby deleted.

4. **RELEASES.** The following language is added to the end of Section 11.C.(7) and to the end of the first sentence of Section 12.C of the Franchise Agreement:

; provided, however, that such general release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

5. **GOVERNING LAW.** The following language is added to the end of Section 15.G of the Franchise Agreement:

However, to the extent required by applicable law, Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

6. **JURISDICTION.** The following language is added to the end of Section 15.H of the Franchise Agreement:

Notwithstanding the foregoing, FRANCHISEE may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

7. **LIMITATIONS OF CLAIMS.** The following language is added to the end of Section 15.M of the Franchise Agreement:

, except that any and all claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the Franchise.

IN WITNESS WHEREOF, the parties have executed this Rider on the Rider Date.

MOSQUITO HUNTERS, LLC

By: _____
Title: _____
Date: _____

FRANCHISEE

Date: _____

FRANCHISEE

Date: _____

**RIDER TO
MOSQUITO HUNTERS, LLC
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF MINNESOTA
BETWEEN MOSQUITO HUNTERS, LLC
AND _____
DATED _____**

THIS RIDER is made and entered into by and between MOSQUITO HUNTERS, LLC, a Delaware limited liability company, with its principal office at 142 State Route 34, Holmdel, New Jersey 07733 (the “COMPANY”), and _____, d/b/a Pest Hunters-Mosquito Hunters-Humbug Holiday Lighting of _____, whose principal address is _____ (“FRANCHISEE”), as of the date signed by the COMPANY and set forth opposite the COMPANY’s signature on this Rider (the “Rider Date”).

1. **BACKGROUND.** The COMPANY and FRANCHISEE are parties to that certain Franchise Agreement dated _____, 20__ (the “Franchise Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the PEST HUNTERS-MOSQUITO HUNTERS-HUMBUG HOLIDAY LIGHTING business that FRANCHISEE will operate under the Franchise Agreement will be located in Minnesota, or (b) any of the offer or sales activity relating to the Franchise Agreement occurred in Minnesota.

2. **MARKS.** The following language is added as a new Section 3.C of the Franchise Agreement:

C. **INDEMNIFICATION OF FRANCHISEE.**

The COMPANY agrees to indemnify FRANCHISEE against and to reimburse FRANCHISEE for all damages for which it is held liable in any proceeding arising out of its authorized use of any Mark pursuant to and in compliance with this Agreement, and for all costs reasonably incurred by FRANCHISEE in the defense of any such claim brought against him or in any such proceeding in which he is named as a party, provided that FRANCHISEE has timely notified the COMPANY of such claim or proceeding and has otherwise complied with this Agreement.

3. **RELEASES.** The following language is added to the end of Section 11.C(7) and to the end of the first sentence of Section 12.C of the Franchise Agreement:

; provided, however, that such general release shall not apply to the extent prohibited by the Minnesota Franchises Law.

4. **RENEWAL AND TERMINATION.** The following language is added to the end of Section 12.B and to the end of Section 13 of the Franchise Agreement:

Minnesota law provides FRANCHISEE with certain termination and non-renewal rights. Minn. Stat. Section 80C.14, subd. 3, 4 and 5 require, except in certain specified cases, that FRANCHISEE be given ninety (90) days' notice of termination (with sixty (60) days to cure) and one hundred eighty (180) days' notice for non-renewal of this Agreement.

5. **INJUNCTIVE RELIEF.** Section 15.C of the Franchise Agreement is deleted in its entirety and is replaced with the following:

C. **INJUNCTIVE RELIEF.**

Notwithstanding anything to the contrary contained in Subsection F of this Section, either party may seek in a court of competent jurisdiction an action or actions for temporary or preliminary injunctive relief; provided, however, that such party shall contemporaneously submit the dispute for arbitration on the merits in accordance with Subsection F(3) of this Section. FRANCHISEE agrees that the COMPANY may seek such temporary or preliminary injunctive relief, but upon due notice, and FRANCHISEE's sole remedy in the event of the entry of such injunctive relief shall be the dissolution of such injunctive relief, if warranted, upon hearing duly had (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby).

6. **GOVERNING LAW/JURISDICTION.** The following language is added to the end of Sections 15.G and 15.H of the Franchise Agreement:

Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit the COMPANY from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring FRANCHISEE to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce any of FRANCHISEE's rights as provided for in Minnesota Statutes, Chapter 80C or FRANCHISEE's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

7. **WAIVER OF PUNITIVE DAMAGES/WAIVER OF JURY TRIAL.** The following language is added to the beginning of Section 15.I and to the beginning of Section 15.J of the Franchise Agreement:

Except as otherwise required by the Minnesota Franchises Law,

8. **LIMITATIONS OF CLAIMS.** The following language is added to the end of Section 15.M of the Franchise Agreement:

Minnesota law provides that no action may be commenced pursuant to Minn. Stat. Section 80C.17 more than three (3) years after the cause of action accrues. Minn. Stat. Section 80C.17, subd. 5.

IN WITNESS WHEREOF, the parties have executed this Rider on the Rider Date.

MOSQUITO HUNTERS, LLC

By: _____
Title: _____
Date: _____

FRANCHISEE

Date: _____

FRANCHISEE

Date: _____

**RIDER TO
MOSQUITO HUNTERS, LLC
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF NEW YORK
BETWEEN MOSQUITO HUNTERS, LLC
AND _____
DATED _____**

THIS RIDER is made and entered into by and between MOSQUITO HUNTERS, LLC, a Delaware limited liability company, with its principal office at 142 State Route 34, Holmdel, New Jersey 07733 (the “COMPANY”), and _____, d/b/a Pest Hunters-Mosquito Hunters-Humbug Holiday Lighting of _____, whose principal address is _____ (“FRANCHISEE”), as of the date signed by the COMPANY and set forth opposite the COMPANY’s signature on this Rider (the “Rider Date”).

1. **BACKGROUND.** The COMPANY and FRANCHISEE are parties to that certain Franchise Agreement dated _____, 20__ (the “Franchise Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) FRANCHISEE is a resident of the State of New York and the PEST HUNTERS-MOSQUITO HUNTERS-HUMBUG HOLIDAY LIGHTING business that FRANCHISEE will operate under the Franchise Agreement will be located in New York, or (b) any of the offer or sales activity relating to the Franchise Agreement occurred in New York.

2. **TRANSFER BY THE COMPANY.** The following language is added to the end of Section 11.A of the Franchise Agreement:

However, to the extent required by applicable law, no transfer will be made except to an assignee who, in the COMPANY’s good faith judgment, is willing and able to assume the COMPANY’s obligations under this Agreement.

3. **RELEASES.** The following language is added to the end of Section 11.C and Section 12.C of the Franchise Agreement:

Notwithstanding the foregoing, to the extent required by Article 33 of the General Business Law of the State of New York, all rights enjoyed by FRANCHISEE and any causes of action arising in FRANCHISEE’S favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of the proviso that the non-waiver provisions of GBL 687 and 687.5 be satisfied.

4. **TERMINATION OF AGREEMENT - BY FRANCHISEE.** The following language is added to the end of Section 13 of the Franchise Agreement:

FRANCHISEE 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.

5. **GOVERNING LAW.** The following language is added to the end of Section 15.G of the Franchise Agreement:

However, to the extent required by Article 33 of the General Business Law of the State of New York, this Section shall not be considered a waiver of any right conferred upon FRANCHISEE by the provisions of Article 33 of the New York State General Business Law, as amended, and the regulations issued thereunder.

6. **JURISDICTION.** The following language is added to the end of Section 15.H of the Franchise Agreement:

However, to the extent required by Article 33 of the General Business Law of the State of New York, this Section shall not be considered a waiver of any right conferred upon FRANCHISEE by the provisions of Article 33 of the New York State General Business Law, as amended, and the regulations issued thereunder.

7. **LIMITATIONS OF CLAIMS.** The following language is added to the end of Section 15.M of the Franchise Agreement:

However, to the extent required by Article 33 of the General Business Law of the State of New York, all rights and any causes of action arising in FRANCHISEE's favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this provision that the non-waiver provisions of GBL Sections 687.4 and 687.5 be satisfied.

8. **APPLICATION OF RIDER.** There are circumstances in which an offering made by the COMPANY would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the State of New York. However, an offer or sale is deemed to be made in New York if FRANCHISEE is domiciled, and the franchise will be operated, in New York. The COMPANY is required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.

IN WITNESS WHEREOF, the parties have executed this Rider on the Rider Date.

MOSQUITO HUNTERS, LLC

By: _____
Title: _____
Date: _____

FRANCHISEE

Date: _____

FRANCHISEE

Date: _____

**RIDER TO
MOSQUITO HUNTERS, LLC
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF RHODE ISLAND
BETWEEN MOSQUITO HUNTERS, LLC
AND _____
DATED _____**

THIS RIDER is made and entered into by and between MOSQUITO HUNTERS, LLC, a Delaware limited liability company, with its principal office at 142 State Route 34, Holmdel, New Jersey 07733 (the “COMPANY”), and _____, d/b/a Pest Hunters-Mosquito Hunters-Humbug Holiday Lighting of _____, whose principal address is _____ (“FRANCHISEE”), as of the date signed by the COMPANY and set forth opposite the COMPANY’s signature on this Rider (the “Rider Date”).

1. **BACKGROUND.** The COMPANY and FRANCHISEE are parties to that certain Franchise Agreement dated _____, 20__ (the “Franchise Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) FRANCHISEE is a resident of Rhode Island and the PEST HUNTERS-MOSQUITO HUNTERS-HUMBUG HOLIDAY LIGHTING business that FRANCHISEE will operate under the Franchise Agreement will be located in Rhode Island, or (b) any of the offer or sales activity relating to the Franchise Agreement occurred in Rhode Island.

2. **GOVERNING LAW/JURISDICTION.** The following is added to the end of Section 15.G and Section 15.H of the Franchise Agreement:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Rider on the Rider Date.

MOSQUITO HUNTERS, LLC

By: _____
Title: _____
Date: _____

FRANCHISEE

Date: _____

FRANCHISEE

Date: _____

**RIDER TO
MOSQUITO HUNTERS, LLC
FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF VIRGINIA
BETWEEN MOSQUITO HUNTERS, LLC
AND _____
DATED _____**

THIS RIDER IS TO BE SIGNED ONLY IF THE FRANCHISE AGREEMENT TO WHICH IT RELATES IS SIGNED ON OR AFTER JULY 1, 2026.

THIS RIDER is made and entered into by and between MOSQUITO HUNTERS, LLC, a Delaware limited liability company, with its principal office at 142 State Route 34, Holmdel, New Jersey 07733 (the “COMPANY”), and _____
d/b/a Pest Hunters-Mosquito Hunters-Humbug Holiday Lighting of _____, whose principal address is _____
 (“FRANCHISEE”), as of the date signed by the COMPANY and set forth opposite the COMPANY’s signature on this Rider (the “Rider Date”).

1. **BACKGROUND.** The COMPANY and FRANCHISEE are parties to that certain Franchise Agreement dated _____, 20__ (the “Franchise Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because the PEST HUNTERS-MOSQUITO HUNTERS-HUMBUG HOLIDAY LIGHTING business that FRANCHISEE will operate under the Franchise Agreement will be located in Virginia.

2. Effective July 1, 2026, the Virginia Retail Franchising Act provides as follows:

Under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act (“Act”), it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

To the extent the Franchise Agreement includes any provision that is wholly or partially unlawful under Virginia law, the unlawful portions of the provision will be deemed to be severed from, and not to be a part of, the Franchise Agreement to the extent they are unlawful. However, any remaining lawful portions of the provision may be fully enforced.

IN WITNESS WHEREOF, the parties hereto have executed this Rider on the Rider Date.

MOSQUITO HUNTERS, LLC

By: _____
Title: _____
Date: _____

FRANCHISEE
Date: _____

FRANCHISEE
Date: _____

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, THE FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.
9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.
15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. **Franchise Brokers.** Franchisees who receive financial incentives to refer franchise prospects to the Franchisor may be required to register as franchise brokers under the laws of Washington State.

[Signature page follows]

The undersigned parties do hereby acknowledge receipt of this Addendum.

MOSQUITO HUNTERS, LLC

By: _____
Title: _____
Date: _____

FRANCHISEE

Date: _____

FRANCHISEE

Date: _____

NEW YORK REPRESENTATIONS PAGE

FRANCHISOR REPRESENTS THAT THIS FRANCHISE DISCLOSURE DOCUMENT DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Illinois	April 29, 2026
Indiana	April 29, 2026
Maryland	Pending
Michigan	April 29, 2026
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	April 29, 2026
Virginia	April 29, 2026
Washington	Pending
Wisconsin	April 29, 2026

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Mosquito Hunters, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

[Michigan requires that Mosquito Hunters, LLC give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires that Mosquito Hunters, LLC give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.]

If Mosquito Hunters, 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 appropriate state agency identified on Exhibit E.

The Franchisor is Mosquito Hunters, LLC located at 142 State Route 34, Holmdel, New Jersey 07733-2092. Its telephone number is (732) 946-4300.

The franchise sellers for this offering are Eric Martin, Court Aiken, and _____ at Mosquito Hunters, LLC, 142 State Route 34, Holmdel, New Jersey 07733-2092, (732) 946-4300.

Issuance Date: April 29, 2026

Mosquito Hunters, LLC authorizes the respective state agents identified on Exhibit E to receive service of process for it in the particular states. I received a Disclosure Document from Mosquito Hunters, LLC dated as of April 29, 2026, that included the following Exhibits:

- Exhibit A - Franchise Agreement
- Exhibit B - Electronic Funds Transfer Authorization
- Exhibit C - Assignment and Assumption Agreement
- Exhibit D - Extranet Agreement
- Exhibit E - List of State Agencies/Agents for Service of Process
- Exhibit F - Operating Manual Table of Contents
- Exhibit G - List of Current Franchisees
- Exhibit H - List of Former Franchisees
- Exhibit I - Financial Statements
- Exhibit J - State Addenda and Agreement Riders

Date

Franchisee Candidate [Print Name]

(Date, Sign, and Return to Mosquito Hunters, LLC) _____
Franchisee Candidate [Signature]

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 Mosquito Hunters, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

[Michigan requires that Mosquito Hunters, LLC give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires that Mosquito Hunters, LLC give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.]

If Mosquito Hunters, 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 appropriate state agency identified on Exhibit E.

The Franchisor is Mosquito Hunters, LLC located at 142 State Route 34, Holmdel, New Jersey 07733-2092. Its telephone number is (732) 946-4300.

The franchise sellers for this offering are Eric Martin, Court Aiken, and _____ at Mosquito Hunters, LLC, 142 State Route 34, Holmdel, New Jersey 07733-2092, (732) 946-4300.

Issuance Date: April 29, 2026

Mosquito Hunters, LLC authorizes the respective state agents identified on Exhibit E to receive service of process for it in the particular states. I received a Disclosure Document from Mosquito Hunters, LLC dated as of April 29, 2026, that included the following Exhibits:

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- Exhibit H - List of Former Franchisees
- Exhibit I - Financial Statements
- Exhibit J - State Addenda and Agreement Riders

Date

(Date, Sign, and Keep for Your Own Records)

Franchisee Candidate [Print Name]

Franchisee Candidate [Signature]