FRANCHISE DISCLOSURE DOCUMENT

RENUE SYSTEMS DEVELOPMENT CORP., INC.
an Illinois corporation
1147 North Main Street
Lombard, Illinois 60148
(630) 691-0800
contact@renuesystems.com
www.renuesystems.com

RENUE®

As a franchisee, you will operate a RENUE® comprehensive hotel cleaning business.

The total investment necessary to begin operation of a franchised RENUE® business is $165,200 to $194,900. This includes $129,000 that must be paid to the franchisor or its affiliate.

This Disclosure Document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government 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 David Grossman at Renue Systems Development Corp., Inc., 1147 North Main Street, Lombard, Illinois 60148 (630) 691-0800.

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, DC 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: March 28, 2023

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit B.
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 C 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 RENUE® 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 RENUE® franchisee?	Item 20 or Exhibit B 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 A.

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Illinois. 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 Illinois than in your own state.

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

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

4. **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 franchised business.

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

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

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State-Specific Addenda to Disclosure Document

EXHIBITS

Exhibit A State Agency Exhibit
Exhibit B Franchisee Information
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Exhibit D Franchise Agreement
Exhibit E CRM Services Agreement
Exhibit F Sample Form of General Release
Exhibit G Franchisee Questionnaire
Exhibit H State Effective Dates & Receipts

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

The franchisor is Renue Systems Development Corp., Inc., formerly known as National Appeal Development Corp., Inc. For ease of reference, Renue Systems Development Corp., Inc. will be referred to as "we," "us" or “Renue” in this Disclosure Document. We will refer to the person who buys the franchise as "you" throughout this Disclosure Document. If you are married, you and your spouse would be the signers of the Franchise Agreement. If you are a corporation or partnership or limited liability company, your owners and their spouses will have to guarantee and be bound by the obligations contained in the Franchise Agreement to be signed by you as described in this Disclosure Document. This Disclosure Document contains a summary of some material provisions of our standard Franchise Agreement (the “Franchise Agreement”). On occasion, we may negotiate the terms of the Franchise Agreement.

Franchisor Company. Renue Systems Development Corp., Inc., formerly known as National Appeal Development Corp., Inc., is an Illinois corporation formed on December 20, 2000. Our principal business address is 1147 North Main Street, Lombard, Illinois 60148. We do business under our company name, Renue Systems Development Corp., Inc. and our trademarked name, RENUE®. We did business under the National Appeal name until March 2011.

Supplier Company. Renue Systems, Inc., formerly known as National Appeal, Inc. (“RSI”), is an affiliate of ours and related to us by common ownership. RSI sells equipment, chemicals and supplies and provides training and support to you (see Items 5, 7 and 8 for additional information). The address for RSI is 1147 North Main Street, Lombard, Illinois 60148. Since April 1999, RSI has supplied independent licensees with cleaning equipment, chemicals, supplies and training. RSI currently has an agreement with one independent licensee to supply deep cleaning equipment, chemicals, supplies and training. RSI no longer enters into these types of distribution agreements with licensees, and it does not now offer, and has never offered, RENUE® franchises or other franchises in any line of business.

Otherwise, we have no other predecessor, parent or affiliate as defined in franchise disclosure guidelines. If we have an agent for service of process in your state, we disclose that agent in Exhibit A.

Franchised Business. We offer commercial deep cleaning, restoration and maintenance businesses under the name “RENUE®” and certain other current and future trademarks and service marks (the “Marks”). A franchised RENUE® business sells its services to hotels and other commercial establishments, and primarily features comprehensive deep cleaning, restoration and maintenance services for carpets, drapes, upholstery, mattresses, air conditioners, tile and grout, marble, stone, vinyl composite tiles and other surfaces (the “Franchised Business”), using certain proprietary procedures, techniques, business methods, business forms, business policies and a body of knowledge for the establishment and operation of the Franchised Businesses (the “System”). The franchise offered is for the right to operate a RENUE® business using the Marks and the System within a “Protected Area.” You will sign a Franchise Agreement when you purchase a RENUE® franchise.

Competition. Your competitors include cleaning businesses and in-house employees of hotels who offer similar cleaning services on a local, regional or national basis. The market for residential and commercial carpet cleaning in general is very developed, but we believe the market for hotel deep, restorative cleaning of soft and hard surfaces is less developed.

Operating RENUE® Businesses.

As of December 31, 2022, there were 25 RENUE® franchises in the United States.

In addition, as of December 31, 2022, an affiliate, related to us by common ownership, operated the following RENUE® business:

Renue Systems of Chicago, Inc., formerly known as National Appeal of Chicago, Inc. and Appeal Carpet & Upholstery Cleaners, Inc., is an Illinois corporation organized on October 15, 1993, that operates a RENUE® business in the Chicago, Illinois metropolitan area. Before commencing use of the RENUE® name in February 2011, the company operated under the "NATIONAL APPEAL®" mark and the trade name "Appeal." Its mailing address is the same as ours. Renue Systems of Chicago, Inc. also currently operates Renue Systems of New England in Massachusetts.

The RENUE® business owned and operated by Renue Systems of Chicago, Inc. is referred to in this Disclosure Document as "Company-Owned" business.

We have obtained a license from RSI, effective January 4, 2010, to use and sublicense the use of the Marks and the System (see Item 13). Except as provided above, we do not currently operate any RENUE® businesses. In October 2001, we began to offer franchises for NATIONAL APPEAL businesses. There no longer are any NATIONAL APPEAL franchises in operation, and we no longer offer franchises under the NATIONAL APPEAL name. We began offering franchises under the RENUE® name in March 2011. At that time, the NATIONAL APPEAL franchises converted their franchises to RENUE® franchises. We do not and have not ever offered franchises in any other lines of business. RSI supplies one independent licensee with carpet, upholstery, drapes, tile, grout, marble and stone deep cleaning, restoration and maintenance equipment, chemicals, supplies and training.

Regulations. We are not aware of regulations specific to the operation of a RENUE® business with which you must comply. However, you will be required to comply with all local, state and federal laws applicable to the operation of a RENUE® business and to any business, including laws regarding the appropriate classification of employees and independent contractors and the payment of sales and use taxes. There are other laws applicable to your Franchised Business, and we urge you to make further inquiries about these laws with your attorney or other professional advisor.

Item 2. BUSINESS EXPERIENCE

President, CEO, Secretary, Treasurer: David J. Grossman

Mr. Grossman has been our President, Chief Executive Officer, Treasurer, and Secretary since January 2010. He is also the President, Chief Executive Officer, Secretary and Treasurer of RSI and Renue Systems of Chicago, Inc., all roles that he assumed in January 2010.

Vice President of Operations and Training: Marino P. Jollette

Mr. Jollette has been our Vice President of Operations and Training since December 2011. He was the Director of Training and later the Vice President of Operations and Sales for RSI from March 1999 until December 2011. From 1993 to the present, he has been the General

Manager of Renue Systems of Chicago, Inc., an affiliate of ours that operates a RENUE® business in the Chicago area.

Special Projects Engineer and Manager: Robert Fortelka

Mr. Fortelka has been our Special Projects Engineer and Manager since April 2017. Prior to that, from July 1996 to April 2017 he was at Illinois Investment Trust/Resource Technology Corp. in Chicago, Illinois as the Operations Manager/Engineering Manager.

Office Manager: Kim Merrill

Mrs. Merrill has been the Office Manager for Renue and RSI since September 2003.

Marketing Manager: Carolina Mirt

Ms. Mirt has been our Marketing Manager since February 2022. Prior to that, from February 2018 to December 2022, she worked as a Marketing Manager for Renue Systems of SE Florida, Inc., an affiliate of ours that operates a RENUE® business located in North Miami Beach, Florida, and for PuroClean of Aventura, Davie & Downtown Miami, Inc., an operator of a PUROCLEAN® business located in North Miami, Florida. Additionally, since January 2018, Ms. Mirt has been self-employed consulting as a Brand Marketing, CRM and SM Manager in Mexico City, Mexico. Ms. Mirt was also a CRM Manager and Project Manager from January 2016 to December 2019 at WeThink Marketing in Plantation, Florida.

Note: Except as otherwise indicated, the headquarters for each entity noted in the above descriptions is Lombard, Illinois.

Item 3. LITIGATION

Pending actions: None

Previous actions:

Washington Consent Order. We are the subject of Consent Order S-11-0789-11-CO01 issued by the State of Washington Department of Financial Institutions, Securities Division. The Consent Order requires that we and our employees comply with the registration and delivery of Franchise Disclosure Document sections of the Washington Franchise Investment Protection Act. We were required to reimburse the Department for its investigative costs related to the Consent Order, but we were not required to pay any fines or other assessments. The Consent Order related to an offer and sale of a franchise for a Washington outlet by a prior owner of the Company and to our subsequent offer of a franchise in the State of Washington before we obtained a franchise registration in Washington. The Consent Order was entered into on September 30, 2011.

Other than the one action described above, no litigation is required to be disclosed in this Item.

Item 4. BANKRUPTCY

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

Item 5. INITIAL FEES

The Initial Franchise Fee is $74,500. The Initial Franchise Fee is paid to us as a lump sum upon signing the Franchise Agreement. The Initial Franchise Fee is not refundable.

We offer a 10% discount on the Initial Franchise Fee for honorably discharged veterans of the United States armed forces and active military personnel as well as women owner-operators and members of select minority groups.

Depending on business circumstances, we have permitted franchisees to pay the Initial Franchise Fee in installments in the past.

In addition to the Initial Franchise Fee, you will also pay an Initial Equipment, Chemicals, Supplies and Training Package Fee of $54,500, as described more fully in Item 8. It is paid to RSI as a lump sum upon the signing of the Franchise Agreement. The Initial Equipment, Chemicals, Supplies and Training Package Fee is not refundable. The total of all of the above initial payments described in this Item is $129,000.

Item 6. OTHER FEES (1)

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	Monthly minimum payments: Year 1: 10% of your Gross Sales for the applicable monthly period Year 2: The greater of i) 10% of your Gross Sales for the applicable monthly period or ii) $1,000 Year 3: The greater of i) 10% of your Gross Sales for the applicable monthly period or ii) $2,000 Year 4+: The greater of i) 10% of your Gross Sales for the applicable monthly period or ii) $2,500	The last day of each calendar month	Gross Sales is defined to mean all sales or revenues invoiced or otherwise derived from your Franchised Business, whether such amounts are actually collected by you, exclusive of sales taxes. (See Notes 2-4)
Marketing Fund	Up to 1% of your Gross Sales for the applicable monthly period	Same as Royalty Fee	See Item 11.
Ongoing Equipment, Chemicals & Supplies	At RSI's then-current prices	As incurred	You will need to replenish ongoing equipment, chemicals and supplies needs.

Type of Fee	Amount	Due Date	Remarks
Ongoing Training	Then-current fee; currently $500 a day per trainer, plus the travel expenses of each trainer for training conducted at your Franchised Business or the travel expenses of each of your representatives for training conducted at our offices in Illinois	As incurred	Payable if you request or if we require additional training. You can be required to attend up to one week of refresher training each calendar year, at your expense.
Convention or Meeting Fees	Then-current fee; the fee for the annual convention is currently estimated to be $1,000, including accommodations and meals	As incurred	We may charge you the attendance fee of any convention or other meeting held by us. You must also pay your travel expenses; the location of the convention may vary, and your travel expenses will depend in part on the location of the convention and your point of departure.
Additional Assistance	Then-current fee; currently $500 a day per representative, plus travel expenses for our representatives	As incurred	Payable only if you request and we provide additional assistance.
Transfer Fee	50% of the then-current Initial Franchise Fee, plus legal expenses	At time of transfer	If you transfer your franchise to a corporation or limited liability company owned by you, we charge for our legal expenses and related costs, but no transfer fee is due.
Reacquisition Fee	$7,450, plus our legal fees	When you reacquire your Franchised Business	Payable only if, after the expiration of your Franchise Agreement, you meet all requirements and reacquire the franchise for your Franchised Business by entering into a new Franchise Agreement.
Audit	Cost of inspection or audit	As incurred	Payable only if you fail to furnish reports or records or if the audit reveals you have understated your Gross Sales by more than 2%.
Interest	Lesser of 1.5% per month or the highest commercial contract interest rate that the law allows	As incurred	Payable on all outstanding amounts that you fail to timely pay to us.
Late Payment Fee	$250	As incurred	Payable each month for each late or dishonored payment until you make the required payment.
Evaluation of Suppliers	Then-current daily fee (currently $500 per day) for each person involved in the evaluation process plus the cost of testing and inspection, currently estimated to range from $250 to $500	As incurred	Applies only if you want us to evaluate unapproved items or suppliers for use by the Franchised Business.
Management Fee	Then-current daily Management Fee; currently $500 per day plus expenses	As incurred	Due only if we manage your Franchised Business after your death or disability or after your default or abandonment.

Type of Fee	Amount	Due Date	Remarks
Non-Compliance Fee	Currently $250 per violation	As incurred	Due if you do not comply with a contractual requirement set forth in the Franchise Agreement, including if you are late or inaccurate in meeting your reporting requirements, or if you deviate from the System Standards stated in the Technical Procedures Manual or the Sales Procedures Manual (the "Manuals") or related writings (See Note 5). This fee is to cover our administrative and management costs related to your non-compliance.
Costs and Attorneys' Fees	Will vary under circumstances	As incurred	Due when we incur costs and expenses to enforce the Franchise Agreement, whether or not we begin formal legal proceedings.
Indemnification	Will vary under circumstances	As incurred	You must reimburse us if we are held liable for claims arising from your operations.
CRM Service Fee	Currently $600	Quarterly	We may credit this fee toward future purchases of chemicals, equipment or supplies from us if the Franchisee sufficiently uses the designated CRM software. We may update this fee annually.

Footnotes:

(1) Except as noted in this Item, all fees are uniformly imposed by and payable to us. No fee is refundable.

(2) Some franchisees pay a reduced Royalty Fee on the Gross Sales generated for providing certain services to their customers or to certain customers. Any reduction is uncommon and agreed to by Renue only in special circumstances. For a reacquisition or transfer of a franchise, the minimum monthly payment is currently $2,500, commencing when the new Franchise Agreement becomes effective.

(3) Royalty Fees will be based on your Gross Sales during the previous calendar month. We may require in the future that Royalty Fees are paid on a more frequent basis. Royalty Fees are uniformly imposed by us throughout the System and the Royalty Fees are not refundable.

(4) Renue requires the use of electronic funds transfer for all payments to us, including Royalty Fees, purchases of equipment, chemicals, and supplies, and any training fees and any other fees or reimbursements paid to us or our affiliate. You will be required to execute the forms (currently, Exhibit D to the Franchise Agreement) and complete the reasonable procedures we have established for a bank draft arrangement whereby we will be able to present a draft for the amounts owed to us to the bank or other financial institution used by us. You must have sufficient funds in your account for the bank draft to be honored by your bank or other financial institution and agree to advise us in advance of any change in your bank, financial institution or account.

(5) The Manuals and related writings include all operational memoranda, documents and materials containing the standards, processes, specifications and requirements for RENUE® businesses (see Item 11).

Item 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount (1) Low	Amount (1) High	Method of Payment (2)	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee (3)	$74,500	$74,500	Lump sum	Due upon signing the Franchise Agreement	Us
Initial Equipment, Chemicals, Supplies and Training Package Fee (4)	$54,500	$54,500	Lump sum	Due upon signing the Franchise Agreement	RSI
Shipping Costs for Initial Equipment, Chemicals and Supplies (5)	$0	$2,000	As incurred	Before opening	Shipping suppliers
Storage Space – 3 Months (6)	$1,500	$3,000	As incurred	Paid monthly	Storage facility
Wages, Travel and Living Expenses During Training (7)	$1,000	$3,000	As incurred	Before opening	Employees, airlines, hotels, restaurants, and other businesses
Vehicle (8)	$20,000	$35,000	As incurred	Before opening	Automobile dealer
Computer Equipment, Software and Accessories (9)	$500	$1,500	As incurred	Before opening	Electronics supplier
Insurance – 3 Months	$2,000	$4,000	As incurred	Before opening	Insurance company
Accounting and Legal Professional Fees	$1,000	$2,000	As incurred	Before opening	Lawyers, accountants and other professional advisors
Business Licenses and Permits	$200	$400	As incurred	Before opening	Government agencies
Additional Funds for First 3 Months (10)	$10,000	$15,000	As incurred	As incurred	Third parties
TOTAL (11)	$165,200	$194,900	---	---	---

Footnotes:

(1) Your Franchised Business is designed to be operated from a home office, and as a result the estimated range of costs is for a Franchised Business operated from an office in your home. Your home must be able to accommodate the required computer system and office space for your Franchised Business. If your home is unable to accommodate these requirements, a homeowners' association, ordinances, or other factors prevent you from operating your Franchised Business from a home office, or you choose to operate the Franchised Business from office space in another location, you will need to lease or purchase additional office space for your Franchised Business, and as a result, your costs will likely be higher than those estimated in this Item 7. Such additional space would need to be able to accommodate the required computer system and include general office space for your Franchised Business. Your additional costs will depend on the market in which you operate and the type of space that you decide to purchase or lease.

(2) Payments made to us are not refundable. Payments made to third parties may be refundable depending on the terms of your relationship with the third party.

(3) We describe the Initial Franchise Fee in Item 5.

(4) The Initial Equipment, Chemicals, Supplies and Training Package includes items that you need to begin operating your Franchised Business, including cleaning equipment and chemicals, uniform shirts and initial training and sales and marketing materials to allow you to begin the operations of your Franchised Business (the "Initial Equipment, Chemicals and Supplies"). The Initial Equipment, Chemicals, Supplies and Training Package Fee also includes payment for the installation of decals or similar signage displaying the RENUE® name on your vehicle. Exhibit B to your Franchise Agreement provides a full list of the Initial Equipment, Chemicals and Supplies that you will receive in your Initial Equipment, Chemicals, Supplies and Training Package. We may, in our discretion, make deletions, additions and/or substitutions to this list, based on your market and business needs. The above estimate does not include any equipment, supplies, or chemicals that you must acquire for pressure washing or marble cleaning, as we do not expect you to purchase (or rent, if available) that equipment during the first three months of operations and must only obtain it at some point during the first 24 months of signing the Franchise Agreement. The Initial Equipment, Chemicals, Supplies and Training Package is further described in Items 5 and 8.

(5) If you do not take possession of the Initial Equipment, Chemicals and Supplies for your Franchised Business after you complete the initial training program, you must pay the costs incurred to ship the Initial Equipment, Chemicals and Supplies from our offices to the storage facility in your Territory.

(6) You will incur rental costs for the storage facility located in the Protected Area where the equipment, chemicals and supplies for your Franchised Business will be stored and where the vehicle(s) for your Franchised Business will be parked.

(7) You will be responsible for paying the salaries and benefits of your employees while they attend the training program, and you must pay for your own and all of your employees' travel and living expenses associated with attending the training program.

(8) You must have at least one vehicle for your Franchised Business that is equipped according to our current standards as set forth in the Manuals. Your vehicle may be financed through a bank or other financial institution, leased or purchased outright. We do not offer financing directly or indirectly for any vehicles. The availability and terms of financing will depend on factors such as the availability of financing generally, your creditworthiness, the collateral you may have and lending policies of financing institutions. The cost to you for your vehicle may be less if it is financed or leased. Your vehicle signage must comply with the written trademark guidelines provided by us. At this time, we do not require that any other signage be maintained in connection with the operation of your Franchised Business.

(9) We require that you purchase and use a computer system with QuickBooks Online and Microsoft Office in your Franchised Business (see Item 11).

(10) During the first three months of operations, you will need additional funds to cover your expenditures for sales, marketing, supplies, gasoline, utilities (if applicable) and other miscellaneous operating costs. You are not required to make specific grand opening advertising expenditures. This estimate has not been offset by any allowance for your operating revenues during this three-month period. Your working capital requirements during the first three months of operation may increase or decrease depending upon your geographic area, operating revenues and economic factors and other factors including customer preferences.

(11) Unless otherwise noted, the estimated initial investment items disclosed above is for the costs incurred during an initial period of three months. In estimating the estimated range of costs, we relied on our affiliates' experiences with opening and operating deep cleaning businesses. These expenses do not include any draw or salary for you.

Item 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We provide you a broad range of products and services. Other than for the items described in this Item, we do not obligate you to purchase or lease goods, services, supplies, fixtures, equipment, chemicals, inventory, computer hardware and software, real estate or comparable items related to establishing or operating your Franchised Business from us, an affiliate, our designee, or suppliers approved by us, or according to our specifications.

Conducting Franchised Business According to System Standards. You must conduct the Franchised Business offering only the services and products we periodically authorize and all of the services and products we periodically require. You must in the development and operation of the Franchised Business follow our specifications, standards, methods and operating procedures, including those related to the attire worn by you and your employees while performing services for customers of your Franchised Business (the "System Standards"). You must develop and operate the Franchised Business using each and every System Standard, as periodically modified or supplemented by us. The System Standards will govern the development, marketing and operation of the Franchised Business, including the following: (1) performance, quality, types and other relevant characteristics of the services and products offered by the Franchised Business; (2) use of the Marks and protection of confidential information; (3) types of authorized equipment, chemicals, vehicles, supplies, clothing and products; (4) designated and approved suppliers, including our affiliates and us for the purchase of cleaning and deodorizing chemicals, supplies, clothing and equipment; (5) minimum hours of operation; (6) participation in market research and testing and product and service development programs prescribed by us; (7) qualifications, training, appearance and attitude of the Franchised Business' employees; (8) use and retention of standard forms; (9) use of standard formats; (10) use of computer hardware and software; (11) adoption of technological developments or advances; (12) use of our marketing procedures including social media, email campaigns and customer relationship management; (13) current products and services, and the addition or deletion of new products and services; (14) sale of products only in the weights, sizes, forms and packaging approved by us and (15) minimum marketing and sales efforts and requirements to promote the Franchised Business in your Protected Area. You will bear all costs and expenses for the development, marketing, operation and maintenance of the Franchised Business and your compliance with the System Standards which can be periodically modified or supplemented by us.

Operating and Maintaining Franchised Business. You must operate and maintain the Franchised Business, at your sole cost and expense, according to our specifications and procedures contained in the Manuals and related writings. You must use only those items of equipment, vehicles, inventory, decor, cleaning and deodorizing chemicals, computer hardware and software, supplies, apparel and signs that we have approved for your Franchised Business as meeting our specifications and standards for appearance, function, trade dress, design, quality and performance, and you must purchase or lease them only from us, our affiliates or suppliers approved by us. We do not require you to purchase or lease a particular type of vehicle, but your vehicle must have cargo space sufficient to safely carry the equipment, chemicals and supplies required to operate your Franchised Business. A cargo van is generally sufficient for this purpose. Depending upon the size of the Franchised Business, you may decide to utilize more than one vehicle in your operations. The Initial Equipment, Chemicals and Supplies provided to you are listed in Exhibit B to the Franchise Agreement, which is included with this Disclosure Document. We may, in our discretion, make deletions, additions and/or substitutions to this list, based on your market and business needs. We do not currently require that you use a particular supplier for any signage that you use to display the RENUE®

name, but we do require that you follow all written trademark usage guidelines provided by us. Most of the apparel required for the operation of your Franchised Business is included in your Initial Equipment, Chemicals, Supplies and Training Package purchased from RSI, an affiliate of ours. You may purchase additional uniform shirts from RSI if you desire. We do not require that you purchase or lease office space in connection with the operation of your Franchised Business. Generally, the Franchised Business will be operated from an office located in your home. However, you will need to purchase or lease storage space in your Protected Area for your Initial Equipment, Chemicals and Supplies with parking space for your vehicle(s), and to store the additional equipment, chemicals and supplies necessary for the ongoing operations of your Franchised Business.

Using Previously Unapproved Suppliers, Goods or Services. If you propose to purchase, lease or otherwise use any equipment, vehicles, inventory, décor, cleaning and deodorizing chemicals, computer hardware and software, supplies, apparel or signage which is not then approved by us or from a supplier not then approved by us, you must first notify us in writing and submit to us sufficient specifications, photographs, drawings, samples and information, along with our then-current daily fee for additional assistance for each person which we provide for this determination plus reasonable expenses in connection with testing and inspection, for a determination by us of whether such equipment, vehicles, inventory, décor, cleaning and deodorizing chemicals, computer hardware and software, supplies, apparel or signs, or proposed supplier complies with our specifications and standards for quality, price, consistency, reliability, financial capability and customer relations, which determination will be made and communicated in writing to you within 30 days of receiving all requested information. We may, but are not required to, provide you with our criteria for evaluating proposed items or suppliers. We may re-inspect the facilities and products of any supplier or approved item and revoke our approval of any item or supplier which fails to continue to meet any of our criteria by providing written notice to you. You must maintain the Franchised Business, equipment, vehicles, clothing, signage and furnishings in good repair, attractive appearance and sound operating condition. You, at your expense, must do the repairs, re-equipping and modifications requested by us. You must make no material replacements of or alterations to the vehicles, equipment, signs, clothing or other assets of the Franchised Business without prior written approval by us. Currently, none of our officers have an ownership interest in any approved, designated or other suppliers, except for RSI, which is wholly owned by David Grossman, our President. We and our affiliates may be making a profit on your purchases when you purchase any goods or services from us or our affiliates or a designated supplier or an approved supplier.

Operating in Compliance with Law and Manuals. You must operate the Franchised Business in compliance with applicable laws and governmental regulations, including government regulations relating to occupational hazards, health, workers' compensation, unemployment and automobile insurance, and the withholding and payment of federal and state income taxes, social security taxes and sales and service taxes. You may not utilize independent contractors or subcontractors in performing any services for customers of your Franchised Business. You must obtain at your expense, and keep in force, any permits, licenses or other consents required for the leasing, construction or operation of your Franchised Business.

In addition, you must operate your Franchised Business in accordance with our Manuals which may be amended occasionally as a result of experience, changes in the law or changes in the marketplace. You must conform to these amendments, and make all reasonable expenditures necessitated by the amendments, within the time periods reasonably established by us. The Manuals as amended are intended to further the purposes of the Franchise Agreement and is

specifically incorporated into the Franchise Agreement. We will loan you one copy of the Manuals either as a hard paper copy or an electronic copy. You must not copy any part of the Manuals, permit any part of the Manuals to be copied or disclose it to anyone not having a need to know its contents for purposes of operating the Franchised Business without our permission. You must refrain from conducting any business or selling any services or products other than those approved by us. You must use your best efforts to promote and enhance the business of the Franchised Business for the full term of the Franchise Agreement. We operate for the benefit of franchisees that are in compliance with the System Standards by imposing non-compliance fees which you pay for violations of some policies of the Manuals and any related writings. For example, if your employees do not wear the proper attire, then you pay a non-compliance fee as described and updated in the Manuals or otherwise in writing. We reserve the right to utilize the electronic funds transfer system to implement the payment of non-compliance fees.

Purchasing and Maintaining Insurance Coverage. You must at all times during the term of the Franchise Agreement maintain in force at your sole expense insurance coverage as we may, in our sole discretion, prescribe periodically, including workers' compensation, comprehensive liability and property damage, data security/cyber breach liability, vehicle liability, business interruption and general and umbrella coverages. The insurance coverage must be maintained under one or more policies of insurance of the types and containing terms and conditions and minimum liability protection in the amounts, as are specified periodically by us and issued by insurance carriers and purchased from insurance agents approved or required by us. We may periodically increase the minimum amount of coverage required under any policy and require different or additional kinds of insurance to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, customer requirements, enhanced customer risks and obligations or other relevant changes in circumstances. All required insurance policies must name us and our affiliates (and our/their officers, directors, shareholders, members and employees) as additional insureds, contain a waiver by the insurance carrier of all subrogation rights against us, and must provide that we will receive 30 days advance written notice of termination, expiration or cancellation or modification of any policy. Before you commence operations, and then if there is any change in your insurance coverage or carrier and also annually, you must furnish to us a copy of the certificate, or other evidence of the insurance, renewal or extension of each insurance policy, together with evidence of payment of premiums, evidencing the required limits. If you do not maintain insurance as required, we may, at our option and in addition to our other rights and remedies, obtain insurance on your behalf, and you must reimburse us for all premiums and other expenses incurred by us in obtaining insurance. In addition, you must defend, indemnify and save us harmless from any liability or claim of any type that arises because of the operation of your Franchised Business.

The types of insurance currently required are:

1. Comprehensive general liability insurance, written on an occurrence basis, extended to include personal and advertising injury, products and completed operations, and employee benefits, with limits of not less than One Million Dollars ($1,000,000) per occurrence and Two Million Dollars ($2,000,000) for the general aggregate.

2. Business automobile liability insurance, including a combined single bodily injury and property damage coverage for all automobiles, with a combined single limit of not less than Two Million Dollars ($2,000,000) per occurrence.

3. Statutory workers' compensation insurance and employer's liability insurance for a minimum limit of at least One Million Dollars ($1,000,000).

4. Commercial umbrella liability insurance with limits which bring the total of all primary underlying coverages to not less than Four Million Dollars ($4,000,000) total limit of liability.

5. Any other insurance coverage that is required by federal, state, or municipal law.

Computer Hardware and Software. Our computer requirements are disclosed in Item 11 of this Disclosure Document.

Equipment, Chemicals, Supplies and Training. RSI is currently the only approved supplier for your equipment, chemicals, supplies and certain training. The chemicals and the composition of the supplies are our proprietary information. We will consider your use of other suppliers for certain equipment, chemicals and supplies utilized in your Franchised Business if you comply with the procedures set forth above in this Item. Following the payment of the Initial Equipment, Chemicals, Supplies and Training Package Fee, you will receive the Initial Equipment, Chemicals and Supplies described in Exhibit B to your Franchise Agreement. We may, in our discretion, make deletions, additions and/or substitutions to these items, based on your market and business needs.

RSI will derive revenue when you purchase supplies, chemicals and equipment from RSI. In 2022, RSI received $255,686 from franchisees for required supplies, chemicals and equipment purchases, out of $841,976 in total revenues, or approximately 30% of RSI's total revenues. This financial information was obtained from RSI's internal books and records for 2022.

Collectively, the purchases described above are about 90% to 95% of your overall purchases and leases in establishing the Franchised Business, and 90% to 95% of your overall annual purchases and leases in operating the Franchised Business.

There currently are no purchasing or distribution cooperatives. We may negotiate purchase arrangements with suppliers (including price terms) for the benefit of the franchise system. We have not received any revenue or rebates from your suppliers, other than RSI, but we retain the right to do so. We do not provide material benefits to you (for example, renewal or granting additional franchises) based on your purchase of particular products and services or use of particular suppliers.

Item 9. FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Agreement	Item in Disclosure Document
a. Site selection and acquisition/lease	Not Applicable	Not Applicable
b. Pre-opening purchases/leases	Sections 1.B, 4.A and 4.D	Items 5, 7, 8 and 11
c. Site development and other pre-opening requirements	Sections 5.B and 5.C	Items 5, 7, 8 and 11

Obligation	Section in Agreement	Item in Disclosure Document
d. Initial and ongoing training	Sections 4.A, B, and C	Items 6 and 11
e. Opening	Section 5.A	Item 11
f. Fees	Sections 1, 4.A, 4.C, 5.B, 5.F, 5.J, 5.L, 5.Q, 6, 8.D, 9.B, 9.C, 9.D and 9.E	Items 5, 6 and 7
g. Compliance with standards and policies/Manuals	Sections 3.B, 5.B, 5.C, 5.D, 5.E, 5.F, 5.H, 5.J and 5.O	Items 8 and 11
h. Trademarks and proprietary information	Sections 3.B, 5.O and 8.H	Items 13 and 14
i. Restrictions and requirements of products/services offered	Sections 5.B, C, D and E.	Items 8, 11 and 16
j. Warranty and customer service requirements	Sections 5.B, 5.C, 5.D and 5.E	Item 8
k. Territorial development and sales quotas	Sections 2 and 5.A	Item 12
l. On-going product/service purchases	Sections 5.B, 5.C, 5.D and 5.F	Item 8
m. Maintenance, appearance and remodeling requirements	Sections 5.B, 5.C and 5.D	Item 8
n. Insurance	Section 5.I	Items 7 and 8
o. Advertising	Sections 5.D, 5.L, 5.M and 5.N	Items 5, 6, 7 and 11
p. Indemnification	Sections 8.D, 8.E, 9.E and 11.D	Item 6
q. Owner's participation/ management/staffing	Sections 4.A, 5.A, 5.B, 5.C and 5.D	Item 15
r. Records and reports	Sections 5.J and 5.M	Items 6 and 8
s. Inspections/audits	Section 5.J	Item 6
t. Transfer	Section 9	Items 6 and 17
u. Renewal	Section 6	Items 6 and 17
v. Post-termination obligations	Sections 8.E through 8.I	Item 17
w. Non-competition covenants	Sections 5.K and 8.G	Item 17
x. Dispute resolution	Section 10.B	Item 17

Item 10. FINANCING

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

Item 11. FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

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

Our Support Services Before Opening. Before you open your Franchised Business, we will:

(1) Designate your Protected Area (Franchise Agreement - Section 2; see Item 12). You are not required to purchase or lease any office space for the operation of your Franchised Business, but you may choose to do so. You will need to purchase or lease a storage facility for your equipment, chemicals and supplies, and for parking your vehicle(s). Otherwise, the Franchised Business is designed to be operated from an office located in your home. We do

not select or approve the office or the storage facility for your Franchised Business. We require that the office and storage space for your Franchised Business be located in your Protected Area. You must commence operating your Franchised Business in the Protected Area within 60 days after the date of the Franchise Agreement; otherwise, the Company will have the right to terminate the Franchise Agreement (Franchise Agreement - Section 5.A).

(2) Provide an initial training program for the operation of the Franchised Business using the System (Franchise Agreement - Section 4.A).

(3) Provide you with an initial inventory of equipment, chemicals and supplies (Franchise Agreement - Section 1.B).

Our Support Services During Operation. During the operation of your Franchised Business, we will:

(1) Provide to you continuing advisory services by telephone, e-mail, a webinar or at your or our offices concerning the operation of your Franchised Business (Franchise Agreement - Section 4.B).

(2) Furnish to you, at your request, additional assistance beyond our standard support (Franchise Agreement - Section 4.C; see Item 6 above).

(3) Provide you with sources for your on-going equipment, chemicals and supplies needs, and on-going training (Franchise Agreement - Sections 4.D and 5.P; see Item 6 above).

(4) Loan to you during the term of the Franchise Agreement one copy of our Manuals. The Manuals contain mandatory and suggested specifications, standards, and operating procedures which we prescribe periodically for RENUE® businesses, as well as information about the other obligations you have in the operation of the Franchised Business. The Manuals may be modified periodically to reflect changes in the specifications, standards, operating procedures and other obligations in operating RENUE® businesses (Franchise Agreement - Sections 5.C and 5.D). The Technical Procedures Manual currently has 176 pages, and the table of contents is as follows:

TECHNICAL PROCEDURES MANUAL

Subject	Number of Pages
Introduction	1
Our Customers	2
General Overview	3
Equipment	3
Core Services	39
Marketing	3
Closing	2
Stonecare	91
Addendum – Proposals	32

The Sales Procedures Manual currently has 20 pages, and the table of contents is as follows:

SALES PROCEDURES MANUAL

Subject	Number of Pages
Introduction	1
Our Customers	2
Sales Overview	2
Sales Detail	3
Performing the Work	3
Closing	2
Appendices	7

We may but are not required to assist you in establishing prices, such as setting minimum and/or maximum prices at which you must sell products and services, subject to applicable laws.

Marketing Fund. We may in the future establish and administer an advertising and marketing fund (the "Marketing Fund") for advertising and marketing programs as we may deem necessary or appropriate. Upon receipt of written notice from us, you will commence contributing to the Marketing Fund the amounts we prescribe periodically which will not to exceed 1% of the Gross Sales of your Franchised Business payable together with the Royalty Fee due under the Franchise Agreement (Franchise Agreement – Section 5.L; see Item 6 above).

We will direct all advertising and marketing programs financed by the Marketing Fund, with sole discretion over the creative concepts, materials and endorsements used, and the geographic, market and media placement and allocation. The source of our marketing and advertising programs will be our in-house personnel. The Marketing Fund may be used to pay the costs of preparing advertising materials and administering national, regional and local advertising programs and public relations activities including creating direct mail and media materials, formulating advertising and marketing programs, developing and maintaining website, email and internet based advertising and marketing programs, employing advertising and marketing agencies to assist, providing brochures and other advertising and marketing materials for RENUE® businesses, and participating in national or regional trade shows.

The Marketing Fund will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for reasonable salaries, administrative costs and overhead as we may incur in activities reasonably related to the administration of the Marketing Fund and its advertising and marketing programs, including conducting market research, preparing advertising and marketing materials and collecting and accounting for contributions to the Marketing Fund. We may spend in any fiscal year an amount greater or less than the aggregate contribution of all RENUE® businesses to the Marketing Fund in that year, and the Marketing Fund may borrow from us or other lenders to cover deficits of the Marketing Fund or cause the Marketing Fund to invest any surplus for future use by the Marketing Fund. An unaudited statement of receipts and disbursements of the Marketing Fund will be prepared annually by us and will be furnished to you upon written request. We do not intend to use the Marketing Fund to solicit new franchise sales.

We will have the right to cause the Marketing Fund to be incorporated or operated through an entity separate from us at the time we deem appropriate, and the entity will have the same rights and duties as we do. Although we will endeavor to utilize the Marketing Fund to develop advertising and marketing materials and programs, and to place advertising that will benefit all RENUE® businesses, we undertake no obligation to ensure that expenditures by the Marketing Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Marketing Fund by RENUE® businesses operating in that geographic area or that any RENUE® business will benefit directly or in proportion to its contribution to the Marketing Fund from the development of advertising and marketing materials or the placement of advertising.

We will have the right, in our sole discretion, to suspend contributions to and operation of the Marketing Fund for one or more periods that we determine to be appropriate and the right to terminate the Marketing Fund upon 30 days written notice to you. All unspent monies on the date of termination will be distributed to us and our franchisees in proportion to their respective contributions to the Marketing Fund during the preceding 12-month period. We will have the right to reinstate the Marketing Fund upon the same terms and conditions set forth in the Franchise Agreement upon 30 days prior written notice to you.

We expect that the Company-Owned business will contribute on the same basis to the Marketing Fund as franchisees, once the first Franchised Business begins paying into the Marketing Fund. Two current franchisees will not be required to contribute to the Marketing Fund but may do so on a voluntary basis.

No contributions were made to the Marketing Fund in 2022.

Local Advertising. Before your use of them, samples of all advertising, promotion and public relations materials not prepared or previously approved by us must be submitted to us for approval, which will not be unreasonably withheld. If you do not receive written disapproval within 14 days after the date of receipt by us of the materials, we will be deemed to have given approval. You may not use any advertising, promotion or public relations materials that we have disapproved.

Websites are deemed "advertising" under the Franchise Agreement and will be subject to our approval. The term "Website" means an interactive electronic document, contained in a network of computers linked by communications software that you operate or authorize others to operate and that refers to us the Franchised Business, the Marks or the System, and includes the Internet and World Wide Web pages. For any Website, you must: (1) before establishing the Website, submit to us for a 15-day review and approval period a sample of the Website format and information in the form and manner we may reasonably require; (2) not establish or use the Website without our prior written approval; (3) comply with our standards and specifications for Websites as we prescribe in the Manuals or otherwise in writing. If we require, you must establish your Website as part of our Website and/or establish links to our Website, and if you propose any material revision to the Website or any of the information contained on the Website, you must submit each such revision to us for our prior written approval. Even if initially approved, we reserve the right to require you to remove your Website at any time upon written notice from us to you.

There are currently no advertising councils or local or regional advertising cooperatives.

Training Program. Before the start of your Franchised Business, we will provide a minimum of 66 hours of initial training over a period of seven days on the operation of a RENUE® business

to you, your manager (if applicable) and/or one to two additional employees at no additional cost to you. Although there are no additional fees for this training, you will be responsible for the salaries and benefits (if any) of your employees attending the training program, and you must pay for all travel and living expenses that you and any of your employees incur in connection with training. You and your manager must complete the training program to our satisfaction, including consideration of factors such as attendance and participation, and be approved by us. If you do not successfully complete the training program, we can terminate your Franchise Agreement. We encourage you to begin training before incurring any costs or expenses related to the planned opening of the Franchised Business. We will not be liable to return any fees or pay any costs or expenses you incur if we terminate your Franchise Agreement because you do not pass the training program (Franchise Agreement – Section 4.A).

We expect that training will be conducted for you and any of your employees at our training facility in Lombard, Illinois, and at nearby customer locations in the Chicago area as often as necessary within approximately four weeks after you sign the Franchise Agreement. We are flexible in scheduling training to accommodate our personnel, you and your personnel. There currently are no fixed (i.e., monthly or bimonthly) training schedules. The seven-day initial training program consists of the following:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Orientation	1	--	Lombard, Illinois
Cleaning, Odors and Stain Repair	49	--	Lombard, Illinois and/or nearby customer locations
Marble and Stone Care Overview	1	--	Lombard, Illinois and/or nearby customer locations
Equipment Training	4	--	Lombard, Illinois and/or nearby customer locations
Customer Relations	3	--	Lombard, Illinois and/or nearby customer locations
Computer Training	1	--	Lombard, Illinois
Sales and Marketing	4	--	Lombard, Illinois
Recap, Inventory and Pack-up	3	--	Lombard, Illinois

The materials used in training include the Manuals, as well as other handouts.

The training program is conducted under the supervision of Marino Jollette, who has been our Vice President of Operations and Training since December 2011. He has been the Director of Training and later the Vice President of Operations and Sales for RSI since March 1999. From 1993 to the present, he has also been the General Manager of Renue Systems of Chicago, Inc., an affiliate of ours that operates a RENUE® business in the Chicago area.

Within 24 months of signing the Franchise Agreement, you must also attend and successfully complete a training course on marble restoration services. We estimate that this training will be approximately 16 hours in Lombard, Illinois or at the training facility of our partner. We may charge you our then-current training fee to attend such additional training. You will be required to purchase additional equipment, supplies and chemical in order to provide such additional services.

Ongoing Training. You must participate, if we require, in up to one week per calendar year of refresher training in the operations, sales and marketing of the Franchised Business. The refresher training may or may not take place at an annual convention or business meeting of franchisees which we can require you to attend once per calendar year. We may require you to pay the then-current daily training fee for each day of ongoing training, and to pay for the salaries and benefits of all of your representatives who attend the additional training program in addition to all travel and living expenses for you and your representatives (Franchise Agreement – Sections 5.P and 5.Q; see Item 6).

Computer System. You must keep your books and business records according to our formats. To facilitate your reporting to us and other communications, you must maintain certain systems in operating the Franchised Business. We require that you have a computer system and Internet access and be reasonably proficient in their usage. We do not currently specify any particular brand of computer hardware or Internet supplier. You must have QuickBooks Online and Microsoft Office software. We also require utilization of a third-party customer relationship management system ("CRM Program") and a financial dashboard as we direct. You are required to use our then-current CRM Program, and pay our then-current CRM Service Fee in connection therewith (currently, $600 per quarter for the CRM Program), and sign the CRM Services Agreement attached as Exhibit E to this Disclosure Document. We do not offer proprietary software. Your computer must be in good repair, with sufficient memory to perform ordinary business functions and provide reliable Internet access. You must have sufficient computer expertise to perform basic business functions and meet the System Standards. We recommend that you maintain up-to-date virus protection software and that you back-up your files frequently. The computer system costs up to approximately $1,500. We may require that we have independent access to the information and data you maintain; and there are no contractual limitations on our right to access the information and data. We have no obligation to repair your computer system. No organization has the contractual right or obligation to provide maintenance, repairs, upgrades or updates. We recommend that you obtain a maintenance contract with a reputable organization for your computer system. You may be required to upgrade or update any computer hardware or software programs during the term of the Franchise Agreement. There are no contractual limitations on the frequency or costs associated with this obligation. We estimate that upgrades, support and maintenance will cost $500 or more per year.

Length of Time Until Commencing Operation. The typical length of time between the signing of the Franchise Agreement and the start of your Franchised Business is up to one month but not more than 60 days. Some of the factors affecting this length of time include delivery and installation of equipment, chemicals and supplies, weather conditions, employee hiring and training, and your own timetable. You must commence operating the Franchised Business within 60 days after the date of the Franchise Agreement; otherwise, the Franchise Agreement will automatically terminate (Franchise Agreement – Section 5.A). In that event, we have no obligation to refund any portion of the payments made for the Initial Franchise Fee or the Initial Equipment, Chemicals, Supplies and Training Package Fee.

Item 12. TERRITORY

You receive a franchise for a specific Protected Area, which will be described in your Franchise Agreement. Protected Areas are typically comprised of specific cities or counties. The primary factor for selecting a Protected Area is the number of hotel rooms. We use a variety of sources to determine the number of hotel rooms in a Protected Area, including online directories and databases of hospitality properties.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. However, we will not, so long as the Franchise Agreement is effective and you are not in default under any of the terms of the Franchise Agreement, grant a franchise or operate any other RENUE® business to be located within your Protected Area. We may franchise or operate other RENUE® or other businesses anywhere else. We are allowed to operate and franchise anywhere any business under different trademarks and are allowed to conduct anywhere any business using the Marks or the System on the Internet or by any other alternate channel of distribution. We may acquire businesses that are the same as or similar to the Franchised Business or other RENUE® businesses and operate, or grant others the right to operate, such businesses regardless of whether such businesses are located within or outside the Protected Area, and to be acquired by any third party which operates, or grants others the right to operate, businesses that are the same as or similar to the Franchised Business or other RENUE® businesses regardless of whether such businesses are located within or outside the Protected Area. Except as stated below, there are no other circumstances that permit us to modify your Protected Area. You do not receive any options, rights of first refusal or similar rights to acquire additional franchises within your Protected Area, in contiguous territories or anywhere else. You may not relocate the physical address of your Franchised Business without our prior written consent. However, we will allow you to relocate the physical address of your Franchised Business so long as any new site you select is within your Protected Area, and the new site meets our then-current criteria.

We have the right to use other channels of distribution, such as the Internet, e-commerce, catalog sales, telemarketing or other direct marketing, to make sales within a Protected Area using our Marks. We have the right to use other channels of distribution, such as the Internet, e-commerce, catalog sales, telemarketing or other direct marketing, to make sales within a Protected Area of products or services under trademarks different from the Marks franchisees will use under the Franchise Agreement. We do not have to pay any compensation for soliciting or accepting orders from inside a franchisee's Protected Area.

You must focus your sales and marketing efforts on business in your Protected Area. If you receive an inquiry from outside your Protected Area, you can pursue the prospective customer if the prospective customer is not located within the Protected Area of another franchisee or Company-Owned business; otherwise, you must refer the prospective customer to the franchisee or Company-Owned business which has the Protected Area where the customer is located. If you receive a prospective customer inquiry that you choose not to pursue, you must immediately notify us, and we will have the right to refer that customer to another franchisee, licensee or Company-Owned business. If you do not sign our then-current Preferred Vendor Agreement including any amendments, we will have the right to refer any Preferred Customer located within (or with business activities within) your Protected Area to another franchisee, licensee or Company-Owned business. You are prohibited from selling products or services over the Internet or by mail order or catalog. You do not have the right to use other channels of distribution, such as the Internet, e-mail, catalog sales, telemarketing or other direct marketing, to make sales outside of your Protected Area.

Neither us nor any affiliate of ours operates, franchises or currently has specific plans to operate or franchise a business under a trademark other than RENUE® which sells or will sell goods or services similar to those that you are authorized to offer when you sign the Franchise Agreement.

The rights we have granted to you under the Franchise Agreement are dependent on your achieving the following minimum performance regarding the Gross Sales generated from providing services to customers of your Franchised Business during each 12-month period during the initial term of the Franchise Agreement as follows (referred to as the "Minimum Performance Requirements"):

Operations Period	Annual Gross Sales Minimum Performance Requirement
Year 1	$0 (No Minimum)
Year 2	$120,000
Year 3	$240,000
Year 4 and each subsequent year	$300,000

The first Operations Period (Year 1) begins the first full month after you open the Franchised Business for business and is for the next 12 calendar months. Each Operations Period is the subsequent 12 months after the prior Operations Period ends. If you fail to satisfy any of the Minimum Performance Requirements for any Operations Period, and fail to cure any deficiencies (if we grant you an opportunity to cure such a default), we may, but are not required to, take any one or more of the following actions: (1) reduce the size of your Protected Area, with a corresponding reduction in the Minimum Performance Requirements; (2) require you or your manager(s) to attend and complete additional training; (3) terminate your Franchise Agreement and/or (4) or exercise any other rights available to us. You acknowledge and agree that the Minimum Performance Requirements do not constitute financial performance representations, and that we do not warrant or guaranty that you will achieve the Minimum Performance Requirements in any given year.

On reacquisition or transfer of the franchise, the Protected Area may be modified. Depending on the then-current demographics and hotel development in the Protected Area, and on our then-current standards for Protected Areas, if your Protected Area is larger than our then-current standard Protected Area, or we determine in our discretion that you are not adequately marketing the Franchised Business or servicing the customers in your Protected Area, we may require that you or the transferee accept a Protected Area smaller than your current Protected Area.

Item 13. TRADEMARKS

Under the Franchise Agreement, we license you to operate your Franchised Business under the name "RENUE®" and to use certain other current and future "Marks." You may only use the Marks in the manner authorized in writing by us. You may not use any of the Marks as part of your company or other name. You must also follow our instructions for identifying your Franchised Business and for filing and maintaining the requisite trade name or fictitious name registrations.

The following Marks are registered on the Principal Register of the United States Patent and Trademark Office ("USPTO"):

Mark	Registration OR Serial No.	Registration or Application Date
NATIONAL APPEAL	2,391,453	October 2, 2000
RENUE	3,929,976	March 8, 2011
RAPID REVENUE RESTORATION	4,156,549	June 12, 2012
RENUEVATION	88489722	June 26, 2019
RENUE GO BEYOND CLEAN	6,975,860	February 7, 2023

All required affidavits and renewals have been filed.

None of the Marks are registered in any state. There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator in any state or any court, no pending infringement, opposition or cancellation proceedings, and no pending material litigation involving the Marks that could materially affect your use of the Marks. To our knowledge, there are no infringing uses that could materially affect your use of the Marks or other related rights.

The Marks are owned by RSI. We have entered into a perpetual Trademark License Agreement, effective as of February 1, 2011, with RSI authorizing us to use and license the Marks in connection with the operation of franchised RENUE® businesses. Otherwise, there are no agreements currently in effect which significantly limit the rights of us to use or license the use of the Marks in any manner material to you.

You must identify yourself as the independent owner of the Franchised Business in the manner we prescribe. You must prominently display the Marks on or in connection with, signs, posters, displays, service contracts, stationery, and other forms we designate. You must, in the manner we prescribe, give notices of trademark and service mark registrations and copyrights as we specify and to obtain such fictitious or assumed name registrations as may be required under applicable law. All bank accounts, licenses, permits or other similar documents must contain the actual name of the person or entity owning the Franchised Business and may contain "d/b/a RENUE®."

You must immediately notify us of any apparent infringement of or challenge to your use of any Mark or claim by any person of any rights in any Mark, and you may not communicate with any person other than us and our counsel in connection with any infringement, challenge or claim. We and our affiliates will have sole discretion to take action we deem appropriate and the right to exclusively control any litigation or USPTO or other proceeding arising out of any such infringement, challenge or claim or otherwise relating to any Mark and you must sign any and all instruments and documents, render assistance and actions as may, in the opinion of our or our affiliates' counsel, be necessary or advisable to protect and maintain our interests in any litigation or USPTO or other proceeding or to otherwise protect and maintain our interests in the Marks.

We will indemnify you against, and reimburse you for, all damages for which you are held liable in any proceeding in which your use of any Mark under the Franchise Agreement is held to constitute trademark infringement, unfair competition or dilution, and for all costs reasonably incurred by you in the defense of any claim brought against you or in any proceeding in which you are named as a party, provided that you have timely notified us of the claim or proceeding and have otherwise complied with the Franchise Agreement. We, in our discretion, will be entitled to defend any proceeding because of your use of any Mark under the Franchise

Agreement, and if we undertake the defense of the proceeding and you retain legal counsel for the proceeding, we will have no obligation to indemnify or reimburse you for any legal fees or disbursements of the legal counsel you retain.

If it becomes advisable at any time in our sole discretion to modify or discontinue use of any Mark, or use one or more additional or substitute Marks, you must comply with our instructions within a reasonable time after notice by us, and our sole obligation in any event will be to reimburse you for your out-of-pocket costs of complying with this obligation.

Item 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents or registered copyrights are material to the franchise. We and our affiliates claim copyright protection of our Manuals and related materials although these materials have not been registered with the United States Registrar of Copyrights. The Manuals and related written materials are considered proprietary and confidential and are considered the property of us and our affiliates, and may be used by you only as provided in the Franchise Agreement. You may not use our confidential information in any unauthorized manner and must take reasonable steps to prevent its disclosure to others.

You will be entitled to use of the copyrighted and proprietary materials during the term of the Franchise Agreement. There are no currently effective material determinations of the USPTO, the United States Copyright Office, or a court regarding the copyrighted materials. There are no agreements that significantly limit our rights to use or license the use of the copyrighted or proprietary materials. There is no provision in the Franchise Agreement specifically obligating us to protect your rights to use of the proprietary or copyrighted materials, but we will respond to this information as we deem appropriate. There are no infringing uses known to us which would materially affect your use of the proprietary or copyrighted materials.

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

You must on a full-time basis participate personally in the direct operation of the Franchised Business. We recommend your personal on-premises supervision of the Franchised Business and require that you hire employees to perform and provide the deep cleaning services and other products and services for the customers of your Franchised Business, rather than using subcontractors. However, if you do not personally supervise the operation of the Franchised Business, then you must seek our consent to employ a manager to assist you or your managing shareholder or member or partner in operating the Franchised Business. You and all managers must pass the initial training program, be approved by us, and sign a confidentiality and non-competition agreement in the form we prescribe. We do not require the on-premises supervisor to have an equity interest in the Franchised Business. If you do not personally sign the Franchise Agreement in your individual capacity, but instead as an entity, then you and your spouse must sign the Personal Guaranty included as an exhibit to the Franchise Agreement.

Item 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must use, offer and sell only those goods and services which we have approved for your Franchised Business. You must also use and offer all goods and services that we designate. All goods and services provided by you must comply with our System Standards. We have the right to change the types of authorized goods or services used or offered by your Franchised Business. There are no specific limitations in the Franchise Agreement on this right. Except as

disclosed in Item 12 of this Disclosure Document, we do not impose any restrictions or conditions that limit your access to customers.

Item 17. RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 6	Five years
b. Renewal or extension of the term	Section 6	If you have substantially complied with the Franchise Agreement, you can renew for three additional five-year terms.
c. Requirements for franchisee to renew or extend	Section 6	Written notice of intent to renew, sign new Franchise Agreement and release, pay renewal fee and, if required by us, attend additional training and refurbish or replace the vehicles, equipment, chemicals and supplies to be in compliance with our then-current standards. If you seek to renew your franchise at the expiration of the initial term or any renewal term, you may be asked to sign a new Franchise Agreement that contains terms and conditions materially different from those in your previous Franchise Agreement, such as different fee requirements and territorial rights.
d. Termination by franchisee	Section 8.A	If we breach a material provision of the Franchise Agreement, and do not cure within 30 days after your written notice to us, you may terminate after delivery of notice of termination (subject to state law).
e. Termination by franchisor without cause	Not applicable	Not applicable.
f. Termination by franchisor with cause	Section 8.B	We can terminate if you commit any one of the listed violations.
g. "Cause" defined – curable defaults	Sections 8.B and C	You have five days to cure for non-payment of sums to us, affiliates or suppliers; 10 days for failure to timely submit reports or financial data or failure to submit complete reports or financial data; 30 days for all other curable breaches of the Franchise Agreement or the Manuals (or related writings) or use of bad faith in carrying out the franchise requirements or failure to comply with System Standards including purchase equipment, chemicals and supplies from RSI or other approved suppliers, wear required clothing, offer all required products and services, and meet customer service standards.

Provision	Section in Franchise Agreement	Summary
h. "Cause" defined – non-curable defaults	Section 8.B	Non-curable defaults include: insolvency or bankruptcy; failure to pass the training program; failure to commence operating the Franchised Business within 60 days after the date of the Franchise Agreement; failure to offer required services and products; abandonment; failure to work full-time in the Franchised Business; underreporting Gross Sales twice in a two-year period; conviction of a felony; impairment of Marks or System; loss of business license; unsafe business operation; unauthorized transfer; use of unauthorized equipment, chemicals or supplies, breach of other agreements with us or our affiliates; three non-sufficient funds checks or defaults in a two-year period, even if cured; failure to acquire required equipment, chemicals and supplies from RSI or other approved or designated suppliers; and multiple customer complaints; you willfully and materially falsify any report, statement, or other written data furnished to us either during the franchise application process or after you are awarded a franchise
i. Franchisee's obligations on termination/non-renewal	Section 8.E	Pay amounts owed; return the Manuals (and related writings) and Software Program and return or destroy all other materials; stop using the Marks, System and confidential information; de-identify yourself and your Franchised Business from us; cancel assumed names; return to us any RENUE® signs; provide us with the names, addresses and contact information of all customers and pertinent customer personnel; assign to us your telephone and facsimile numbers, and e-mail and Internet addresses, websites, domain names and search engine identifiers; adhere to non-competition provisions (also see r. below).
j. Assignment of contract by franchisor	Section 9.A	No restriction on our right to assign.
k. "Transfer" by franchisee – defined	Section 9.B	Includes any type of transfer of the Franchise Agreement or assets or any ownership change.
l. Franchisor approval of transfer by franchisee	Section 9.B	We have the right to approve all partial or complete transfers but will not unreasonably withhold approval.
m. Conditions for franchisor approval of transfer	Section 9.B	Transferee qualifies; all amounts due are paid in full; you are not in default; the transferee complies with training requirements; transferee has received required disclosure document; then-current form of Franchise Agreement signed; transferee assumes remaining obligations under your agreements; transfer fee paid; assets have been refurbished or replaced and are in a condition acceptable to the Company; general releases signed; compliance with post-term obligations; guaranty of performance may be required; and right of first refusal declined by us (also see r. below).

Provision	Section in Franchise Agreement	Summary
n. Franchisor's right of first refusal to acquire franchisee's business	Section 9.D	We can match any offer for your business, except broker's fees are excluded. Cash may be substituted for any form of payment proposed.
o. Franchisor's option to purchase franchisee's business	Section 8.F	Option to purchase some or all equipment, chemicals, supplies, inventory, advertising materials and any items with our logo, for cash at fair market value, exercisable up to 90 days after termination or expiration. If no agreement on fair market value, an appraiser appointed by us will decide.
p. Death or disability of franchisee	Section 9.E	You must assign franchise to an approved buyer within 90 days. All transfer provisions of Section 9 apply.
q. Non-competition covenants during the term of the franchise	Section 5.K	No involvement in a Competitive Business.
r. Non-competition covenants after the franchise is terminated or expires	Section 8.G	No Competitive Business for three years within your Protected Area or within any other protected area. No solicitation or acceptance of business from former customers for three years.
s. Modification of the agreement	Sections 5.D and 12.E	Modification by written agreement signed by you and us. The Manuals can be revised and modified by us.
t. Integration/merger clause	Section 12.E	Only the terms of the Franchise Agreement (including the System Standards in the Manuals) are binding (subject to state law). Any representations or promises outside this Disclosure Document and the Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 10.B	Subject to state law and except for certain claims, all disputes must be arbitrated in the city where our headquarters is located when the proceedings are conducted.
v. Choice of forum	Section 10.F	Court litigation must be in any Illinois state court of general jurisdiction or a federal court for Chicago, Illinois (subject to state law).
w. Choice of law	Section 10.F	Except for Federal Arbitration Act, other federal law and certain state laws, the laws of the state in which the Protected Area is located apply.

Item 18. PUBLIC FIGURES

We do not use any public figure to promote our franchise. No public figure is involved in our management.

Item 19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

As described more fully below, the financial performance representations in this Item are based on historical data concerning the franchised RENUE® businesses. Table 1 in this Item provides prospective franchisees with financial information based upon the 22 franchised RENUE® businesses that were open the entire 2022 calendar year.

Tables 2 through 4 in this Item provide prospective franchisees with financial information based upon the 19 franchised RENUE® businesses and 1 company-owned business that were open and operating throughout the entire 2021 and 2022 calendar years. Excluded from these Tables are two franchised RENUE® businesses that opened in 2022, and three franchised RENUE® businesses that ceased operations, and one company RENUE® business that commenced operations in 2022.

The RENUE® businesses included in this Item offer substantially similar products and services to their customers.

The financial performance representations disclosed below are derived from the actual revenues and expenses of the RENUE® businesses that are disclosed in this Item.

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

Table 1
Months Until Disclosed RENUE® Businesses Generated $100,000 in Cumulative Gross Sales

Set forth below is a summary of the number of months that the 22 franchised RENUE® businesses were in operation until they generated cumulative Gross Sales in excess of $100,000. Some outlets have since transferred ownership but have remained operating post-transfer.

Years When Businesses Opened	Number of Franchised Businesses Included	Mean Number of Months	Median Number of Months	Months in Operation When Generated Cumulative Gross Sales of $100,000[1,2]	
				Low	High
2001-2021	22	13	11	6	39
2001-2003	6	16	11	7	39
2004-2007	5	14	15	8	18
2008-2014	4	13	12	10	18
2015-2017	3	11	10	10	14
2018-2021	4	9	10	6	11

Footnotes to Table 1:

(1) Throughout this Item, the term “Gross Sales” means all sales or revenues invoiced or otherwise derived from the applicable RENUE® businesses, whether such amounts are actually collected by the business, exclusive of sales taxes.

(2) **Some outlets have sold these amounts. Your individual results may differ. There is no assurance that you will sell as much**. The above Table does not take into account the length of time that any of the represented franchised RENUE® business continued generating Gross Sales in an amount that exceeds $100,000 after the first time that they exceeded $100,000.

Table 2(a)
Gross Sales[1, 2] and One-Year % Change in Gross Sales – Franchised Businesses

Franchised Businesses Included	Category	Calendar Year 2021 Gross Sales	Calendar Year 2022 Gross Sales	One-Year (2021-2022) Percentage Increase (Decrease) in Gross Sales
All (19 Businesses)	Median	$318.091	$565,205	34.0%
	Mean	$457,055	$625,955	59.0%
	Number of Businesses that Met or Exceeded Mean	6 (or 31.6%)	8 (or 42.1%)	6 (or 31.6%)
	Low	$73,621	$183,730	8.0%
	High	$1,185,671	$1,510,130	171.8%
Top ½ by Gross Sales (9 Businesses)	Median	$752,596	$812,655	27.4%
	Mean	$724,968	$971,352	51.2%
	Number of Businesses that Met or Exceeded Mean	5 (or 55.6%)	4 (or 44.4%)	3 (or 33.3%)
	Low	$265,057	$617,705	8.0%
	High	$1,185,671	$1,510,130	165.9%
Bottom ½ by Gross Sales (10 Businesses)	Median	$181,953	$247,558	39.7%
	Mean	$215,934	$315,175	66.0%
	Number of Businesses that Met or Exceeded Mean	4 (or 40%)	4 (or 40%)	4 (or 40%)
	Low	$73,621	$183,730	14.7%
	High	$435,805	$565,205	171.8%

Table 2(b)
Gross Sales[1, 2] and One-Year % Change in Gross Sales – Company Business

Company Businesses Included	Calendar Year 2021 Gross Sales	Calendar Year 2022 Gross Sales	One-Year (2021-2022) Percentage Increase (Decrease) in Gross Sales
All (1 Business)	$1,382,236	$1,596,699	15.5%

Footnotes to Table 2:

(1) The term “Gross Sales” has the same definition as noted above.

(2) You will incur costs and expenses to operate your Franchised Business, including Royalty Fees, Marketing Fund (when applicable), and certain other costs and expenses described in Items 6 and 7 of this Disclosure Document.

Table 3(a)
Gross Sales[(1)] per Hotel and Hotel Room During 2022 Calendar Year – Franchised Businesses

Franchised Businesses Included	Category	Calendar Year 2022 Gross Sales	# Hotel Rooms within 50 Miles[(2)]	# Hotels within 50 Miles[(2)]	Gross Sales per Hotel Room	Gross Sales per Hotel
All (19 Businesses)	Median	$565,205	63,000	264	$7	$1,562
	Mean	$625,995	81,684	345	$11	$2,369
	Number of Businesses that Met or Exceeded Mean	8 (or 42.1%)	8 (or 42.1%)	8 (or 42.1%)	7 (or 36.8%)	8 (or 42.1%)
	Low	$183,730	15,000	72	$4	$845
	High	$1,510,130	251,000	858	$31	$6,013
Top ½ of Businesses Based Upon Number of Hotel Rooms within 50 Miles (10 Businesses)	Median	$715,180	109,000	486	$5	$1,247
	Mean	$808,325	126,500	525	$7	$1,617
	Number of Businesses that Met or Exceeded Mean	5 (or 50%)	5 (or 50%)	4 (or 40%)	3 (or 30%)	3 (or 30%)
	Low	$252,741	63,000	264	$4	$845
	High	$1,510,10	251,000	858	$17	$3,738
Bottom ½ of Businesses Based Upon Number of Hotel Rooms within 50 Miles (9 Businesses)	Median	$242,374	34,000	150	$15	$3,074
	Mean	$423,407	31,889	144	$15	$3,203
	Number that Met or Exceeded Mean	4 (or 44.4%)	5 (or 55.6%)	6 (or 66.7%)	5 (or 55.6%)	4 (or 44.4%)
	Low	$183,730	15,000	72	$5	$939
	High	$807,642	51,000	258	$31	$6,013

Table 3(b)
Gross Sales[(1)] per Hotel and Hotel Room During 2022 Calendar Year – Company Businesses

Company Businesses Included	Calendar Year 2022 Gross Sales	# Hotel Rooms within 50 Miles[(2)]	# Hotels within 50 Miles[(2)]	Gross Sales per Hotel Room	Gross Sales per Hotel
All (1 Business)	$1,596,699	119,000	487	$13	$3,279

Footnotes to Table 3:

(1) The term "Gross Sales" has the same definition as noted above.

(2) The 50-mile radius is measured from the largest city within the Protected Area of each Franchised Business. This city is typically located within a one hour drive of the address of the Franchised Business. All of the hotels located within the 50-mile radius were located within each franchisee's respective Protected Area. Your Protected Area may encompass a radius that is smaller or larger than 50-miles from the largest city within your Protected Area. The primary factor for selecting a Protected Area is the number of hotel rooms. We use a variety of sources to determine the number of hotel rooms in a Protected Area, including online directories and databases of hospitality properties. Hotels included in Tables 3 contain a minimum of 100 guestrooms, although Renue does service smaller hotels.

Table 4(a)
Gross Sales, Certain Costs of Goods Sold, Labor Costs, Gross Profit, Gross Margin During 2022 Calendar Year

Set forth below is a summary of financial information from the 2022 calendar year based upon the 19 franchised RENUE® businesses that were open and in operation for the entire 2021 and 2022 calendar years.

Category	Calendar Year 2022 Gross Sales	One-Year (2021-2022) Percentage Increase (Decrease) in Gross Sales	Labor Cost[(1)]	Equipment, Chemicals, Supplies, Royalty Fees[(2)]	Gross Profit[(3)]	Gross Margin[(4)]
Median	$565,205	34.0%	$192,408	$81,135	$200,675	45.6%
Mean	$625,995	59.0%	$228,032	$110,815	$287,148	47.3%
Number of Businesses that Met or Exceeded Mean	8 (or 42.1%)	6 (or 31.6%)	8 (or 42.1%)	8 (or 42.1%)	8 (or 42.1%)	6 (or 31.6%)
Low	$183,730	8.0%	$22,170	$24,053	$82,660	25.5%
High	$1,510,130	171.8%	$606,759	$291,773	$767,811	75.5%

Table 4(b)
Gross Sales, Certain Costs of Goods Sold, Labor Costs, Gross Profit, Gross Margin During 2022 Calendar Year – Company Businesses

Set forth below is a summary of financial information from the 2022 calendar year based upon the 1 company RENUE® business that was open and in operation for the entire 2021 and 2022 calendar years.

Company Businesses Included	Calendar Year 2022 Gross Sales	One-Year (2021-2022) Percentage Increase (Decrease) in Gross Sales	Labor Cost[1]	Equipment, Chemicals, Supplies, Royalty Fees[2]	Gross Profit[3]	Gross Margin[4]
All (1 Business)	$1,596,699	15.5%	$501,658	$297,664	$797,377	49.9%

Footnotes to Table 4:

(1) Labor Costs included all payroll expenses and payroll taxes for technicians and subcontractors. Labor costs for a general manager (if any), any other manager (if any) and costs for employee bonuses were excluded from Labor Costs.

(2) You will incur additional costs and expenses to operate your Franchised Business, including Marketing Fund (when applicable), and certain other costs and expenses described in Items 6 and 7 of this Disclosure Document.

(3) Gross Profit was determined by deducting Equipment, Chemicals, Supplies, and Royalty Fees and Labor Costs from Gross Sales.

(4) Gross Margin was calculated by dividing Gross Profit by Gross Sales expressed as a percentage.

Written substantiation of the data used in preparing the financial performance representations disclosed above will be made available to you upon your reasonable request.

Other than the preceding financial performance representation, we do not make any representations about a franchisee's future financial performance or the past financial performance of Company-Owned or franchised outlets. We also do not authorize our employees or representatives to make such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the Franchisor's management by contacting David Grossman at Renue Systems Development Corp., Inc., 1147 North Main Street, Lombard, Illinois 60148,(630) 691-0800, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20. OUTLETS AND FRANCHISEE INFORMATION

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

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020	22	22	0
	2021	22	25	+3
	2022	25	24	-1
Company-Owned	2020	2	1	-1
	2021	1	1	0
	2022	1	2	+1
Total Outlets	2020	24	23	-1
	2021	23	26	+3
	2022	26	26	0

Transfers of Outlets from Franchisees to New Owners
(other than the Franchisor or an Affiliate)
For Years 2020 to 2022
(Table No. 2)

State	Year	Number of Transfers
California	2020	1
	2021	0
	2022	0
Totals	2020	1
	2021	0
	2022	0

Status of Franchise Outlets
For Years 2020 to 2022
(Table No. 3)

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
Arizona	2020	0	1	0	0	0	0	1
	2021	1	1	0	0	1	0	1
	2022	1	0	0	0	0	0	1
California	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
Colorado	2020	1	0	0	0	1	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Florida	2020	3	1	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
Georgia	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Hawaii	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Indiana	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Louisiana	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Maryland	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Massachusetts	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	1	0	0	0	0
Michigan	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Minnesota	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	1	0
New Mexico	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Pennsylvania	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	1	0	0	0	0
Ohio	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Oklahoma	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Tennessee	2020	1	0	1	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Texas	2020	4	0	1	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	1	0	0	0	0	4
Utah	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Totals	2020	22	3	2	0	1	0	22
	2021	22	4	0	0	1	0	25
	2022	25	2	2	0	0	1	24

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

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
Arizona	2020	1	0	0	0	1	0
	2021	0	0	1*	0	0	0
	2022	0	0	0	0	0	0
Colorado	2020	0	0	1*	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
Illinois	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Massachusetts	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	1	0	0	0	1
Totals	2020	2	0	1	0	0	1
	2021	1	0	1	0	0	1
	2022	1	1	0	0	0	2

**Reacquired but never opened as a Company-outlet.*

Projected Openings
As of December 31, 2022
(Table No. 5)

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in Next Fiscal Year	Projected New Company-Owned Outlets in Next Fiscal Year
California	0	1	0
Nevada	0	1	0
North Carolina	0	1	0
Totals	0	3	0

The following exhibits to this Disclosure Document provide the indicated franchisee information:

Exhibit B-1 lists the names of all of our operating franchisees and the addresses and telephone numbers of their Franchised Businesses as of December 31, 2022.

Exhibit B-2 lists the franchisees who have signed Franchise Agreements for Franchised Businesses which are not yet operational as of December 31, 2022.

Exhibit B-3 lists of the names, addresses and business telephone numbers (or, if unknown, the last known home telephone number) of the franchisees who had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during the most recently completed fiscal year, or who had not communicated with us within 10 weeks of the issuance of this Disclosure Document.

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

During the last three fiscal years, we have signed confidentiality clauses with former franchisees which restrict them from speaking openly with you about their experience with us.

There is no trademark-specific franchisee organization associated with the franchise system which the franchisor has created, sponsored or endorsed. There is no independent trademark-specific franchisee organization which has asked to be included in this Disclosure Document.

Item 21. FINANCIAL STATEMENTS

Exhibit C contains our audited financial statements for the fiscal years ending December 31, 2020, December 31, 2021, and December 31, 2022, and our unaudited balance sheet and income statement as of June 30, 2023.

Item 22. CONTRACTS

Exhibit D contains the Franchise Agreement and Personal Guaranty.

Exhibit E contains the CRM Services Agreement.

Exhibit F contains the sample General Release.

Item 23. RECEIPTS

Exhibit H contains detachable documents acknowledging your receipt of this Disclosure Document. The receipt is signed by all prospective franchisees and their spouses.

ADDENDUM TO
RENUE SYSTEMS DEVELOPMENT CORP., INC.
FRANCHISE DISCLOSURE DOCUMENT
FOR STATE OF CALIFORNIA

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with a copy of this Disclosure Document.

California Business and Professions Code §§20000 through 20043 provide rights to you concerning termination, transfer or nonrenewal of your franchise. If the Franchise Agreement contains provisions that are inconsistent with the law, the law will control.

The Franchise Agreement provides for termination upon your bankruptcy. These provisions may not be enforceable under federal bankruptcy law (11 U.S.C.A. §101, et seq.).

You must sign a joint and mutual release of claims when you transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§2000 through 20043).

The provisions of the Franchise Agreement containing covenants not to compete which extend beyond its term may not be enforceable under California law.

The Franchise Agreement requires binding arbitration in Lombard, Illinois. You will bear the costs of the arbitration if we prevail. You are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement restricting venue to a forum outside the State of California. The provisions of the Franchise Agreement requiring jurisdiction and venue in Illinois may not be enforceable under California law.

California Corporations Code, §31125 requires us to give you a disclosure document, in a form containing the information that the commission may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

The highest interest rate allowed by law in California is 10% annually.

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.

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

Exhibit G to the Franchise Disclosure Document, the “Franchisee Questionnaire,” is amended to include the following:

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

ADDENDUM TO
RENUE SYSTEMS DEVELOPMENT CORP., INC.
FRANCHISE DISCLOSURE DOCUMENT
FOR STATE OF ILLINOIS

The following information applies to franchises and franchisees subject to the Illinois Franchise Disclosure Act of 1987:

Illinois law shall apply to and govern 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' right 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.

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

ADDENDUM TO
RENUE SYSTEMS DEVELOPMENT CORP., INC.
FRANCHISE AGREEMENT
FOR STATE OF ILLINOIS

To the extent the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§705/1 – 705/44 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Illinois law shall apply to and govern 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' right 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.

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.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

RENUE SYSTEMS DEVELOPMENT CORP., INC.	**FRANCHISEE** _____	**FRANCHISEE** _____
By:_____	By:_____	By:_____
Print Name:_____	Print Name:_____	Print Name:_____
Title:_____	Title:_____	Title:_____

ADDENDUM TO
RENUE SYSTEMS DEVELOPMENT CORP., INC.
FRANCHISE DISCLOSURE DOCUMENT FOR THE STATE OF MARYLAND

To the extent the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg. §§14-201 – 14-233 applies, the terms of this Addendum apply.

Item 5, Additional Disclosure:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until franchisor completes its pre-opening obligations under the franchise agreement.

Item 17, Additional Disclosures:

Our termination of the Franchise Agreement because of your bankruptcy may not be enforceable under applicable federal law (11 U.S.C.A. 101 et seq.).

You may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

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

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

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

ADDENDUM TO
RENUE SYSTEMS DEVELOPMENT CORP., INC.
FRANCHISE AGREEMENT FOR THE STATE OF MARYLAND

To the extent the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg. §§14-201 – 14-233 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Nothing in the Franchise Agreement prevents the franchisee from bringing a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Nothing in the Franchise Agreement operates to reduce the 3-year statute of limitations afforded to a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law. Further, any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

The Federal Bankruptcy laws may not allow the enforcement of the provisions for termination upon bankruptcy of the franchisee.

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until franchisor completes its pre-opening obligations under the franchise agreement.

Section 13 is deleted in its entirety.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise

seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

RENUE SYSTEMS DEVELOPMENT CORP., INC.	**FRANCHISEE** _____	**FRANCHISEE** _____
By:_____	By:_____	By:_____
Print Name:_____	Print Name:_____	Print Name:_____
Title:_____	Title:_____	Title:_____

ADDENDUM TO
RENUE SYSTEMS DEVELOPMENT CORP., INC.
FRANCHISE DISCLOSURE DOCUMENT
FOR STATE OF WASHINGTON

Item 17, Additional Disclosure:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

Exhibit G to the Franchise Disclosure Document, the “Franchisee Questionnaire,” is amended to include the following provision:

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

ADDENDUM TO
RENUE SYSTEMS DEVELOPMENT CORP., INC.
FRANCHISE AGREEMENT, QUESTIONNAIRE, AND RELATED AGREEMENTS
FOR STATE OF WASHINGTON

THIS ADDENDUM TO THE FRANCHISE AGREEMENT (this "Addendum") is made, entered into, and effective this _____ day of _____, 20_____, by and between Renue Systems Development Corp., Inc. ("Renue") and _____ (the "Franchisee") to amend and revise certain provisions of the Franchise Agreement between Renue and the Franchisee, dated the same date as this Addendum, as follows:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

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.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

The following statement shall be deemed to amend the Franchise Agreement, and the Franchisee Questionnaire attached to the Renue Franchise Disclosure Document at Exhibit G:

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.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

RENUE SYSTEMS DEVELOPMENT CORP., INC.	**FRANCHISEE** _____	**FRANCHISEE** _____
By:_____	By:_____	By:_____
Print Name:_____	Print Name:_____	Print Name:_____
Title:_____	Title:_____	Title:_____

RENUE SYSTEMS DEVELOPMENT CORP., INC.

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT A:

STATE AGENCY EXHIBIT

STATE ADMINISTRATORS AND
AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
California	Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation	320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 1-866-275-2677
Hawaii (State Administrator)	Commissioner of Securities Dept. of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch	335 Merchant Street Room 203 Honolulu, HI 96813
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62701
Indiana (State Administrator)	Indiana Securities Commissioner Securities Division	302 West Washington Street, Room E111 Indianapolis, IN 46204
Indiana (Agent)	Indiana Secretary of State	302 West Washington Street, Room E018 Indianapolis, IN 46204
Maryland (State Administrator)	Office of the Attorney General Division of Securities	200 St. Paul Place Baltimore, MD 21202-2020
Maryland (Agent)	Maryland Securities Commissioner	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Department of Attorney General Consumer Protection Division	G. Mennen Williams Building, 1st Floor 525 West Ottawa Street Lansing, MI 48933
Minnesota	Commissioner of Commerce Minnesota Department of Commerce	85 7th Place East, Suite 280 St. Paul, MN 55101-2198
New York (State Administrator)	NYS Department of Law Investor Protection Bureau	28 Liberty Street, 21st Floor New York, NY 10005 212-416-8236
New York (Agent)	New York Department of State	One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 518-473-2492
North Dakota	Securities Commissioner North Dakota Securities Department	600 East Boulevard Avenue State Capitol, 14th Floor, Dept. 414 Bismarck, ND 58505-0510
Rhode Island	Director, Department of Business Regulation, Securities Division	1511 Pontiac Avenue John O. Pastore Complex – Building 68-2 Cranston, RI 02920
South Dakota	Department of Labor and Regulation Division of Insurance – Securities Regulation	124 S. Euclid, Suite 104 Pierre, SD 57501
Virginia (State Administrator)	State Corporation Commission Division of Securities and Retail Franchising	1300 East Main Street, 9th Floor Richmond, VA 23219 804-371-9051
Virginia (Agent)	Clerk of the State Corporation Commission	1300 East Main Street, 1st Floor Richmond, VA 23219-3630
Washington	Department of Financial Institutions Securities Division	150 Israel Road SW Tumwater, WA 98501 360-902-8760
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705

RENUE SYSTEMS DEVELOPMENT CORP., INC.

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT B:

FRANCHISEE INFORMATION

RENUE®

EXHIBIT B

FRANCHISEE INFORMATION

As of December 31, 2022

EXHIBIT B-1: OPERATIONAL FRANCHISES

Name	Address	City	State	Zip Code	Telephone
ARIZONA					
Art Hagopian	3809 N 34th St.	Phoenix	AZ	85017	858-265-7233
CALIFORNIA					
Art Hagopian	11696 Sorrento Valley Road, #203	San Diego	CA	92121	858-265-7233
Amir Shahzad/Yacoob Mayet (2 locations)	717 Rita Street	Redondo Beach	CA	90277	310-920-1786
Rick Palmer	1079 Sunrise Avenue, Suite B-189	Roseville	CA	95661	916-791-1497
COLORADO					
Rob Lieberman	9940 East Costilla Avenue, Suite L	Centennial	CO	80112	303-330-4901
FLORIDA					
Enrique Nessim	1835 NE Miami Gardens Drive, #328	North Miami Beach	FL	33179	954-545-0144
Marc Stein / Larry Peak (3 locations)	12386 State Road 535, #330	Orlando	FL	32836	904-476-3899 813-787-0080
GEORGIA					
Anne Krajewski	1690 Roberts Boulevard, Suite 116	Kennesaw	GA	30144	770-514-3099
HAWAII					
Matt Mullins	200 N Vineyard Boulevard, STE 325-195	Honolulu	HI	96817	808-224-7936
INDIANA					
Marty Kuc	23585 N Millcreek Road	Cicero	IN	46034	317-385-8009
LOUISIANA					
Daryl Rappold	535 Woodward Avenue	Harahan	LA	70123	504-344-0535
MARYLAND					
Joe Nissel	4112 Pinkney Road	Baltimore	MD	21215	410-908-6755
MICHIGAN					
Mike Robison	5553 Cromwell Court	West Bloomfield	MI	48322	248-672-1260
NEW MEXICO					
Doris Monsalve	10404 Venticello NW	Albuquerque	NM	87114	505-720-8254
OHIO					
Juan Abreu	1554 Lynlee Drive	Bellbrook	OH	45305	937-458-2968
OKLAHOMA					
Jimmy Polk	11204 Thorn Ridge Road	Oklahoma City	OK	73120	405-751-1239

Name	Address	City	State	Zip Code	Telephone
TEXAS					
Robert Lopez (2 locations)	220 Demi John Bend Road	Canyon Lake	TX	78133	830-980-1778
Christophe Lamarsaude	5848 Oram Street	Dallas	TX	75206	214-500-8667
Greg Oliver	26915 Widens Park Drive	Magnolia	TX	77354	713-962-9651
UTAH					
Monett Rupp	14077 S Timber Ridge Drive	Draper	UT	84020	855-736-8388

EXHIBIT B-2: FRANCHISES NOT YET OPERATIONAL

None.

EXHIBIT B-3: FRANCHISES TERMINATED, CANCELLED, NOT RENEWED OR OTHERWISE VOLUNTARILY OR INVOLUNTARILY CEASED TO DO BUSINESS UNDER A FRANCHISE AGREEMENT DURING THE MOST RECENTLY COMPETED FISCAL YEAR, OR HAVE NOT COMMUNICATED WITH US WITHIN 10 WEEKS BEFORE THE ISSUANCE OF THIS DISCLOSURE DOCUMENT

Jeff Butler, MA and PA (215-983-8308)

Allen Hallberg, MN (763-755-6328)

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

RENUE SYSTEMS DEVELOPMENT CORP., INC.

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT C:

FINANCIAL STATEMENTS

RENUE SYSTEMS DEVELOPMENT CORP, INC.

FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2022, 2021 (RESTATED), AND 2020 (RESTATED)

RENUE SYSTEMS DEVELOPMENT CORP, INC.

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Independent Auditor's Report

To the Shareholder
Renue Systems Development Corp, Inc.
Lombard, Illinois

Opinion

We have audited the accompanying financial statements of Renue Systems Development Corp, Inc., which comprise the balance sheets as of December 31, 2022, and the related statements of operations, shareholders' equity and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Renue Systems Development Corp, Inc. as of December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The financial statements of Renue Systems Development Corp, Inc. as of December 31, 2021 and 2020, were audited by other auditors whose report dated February 25, 2022, expressed an unqualified opinion on those statements.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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.

Emphasis of Matter – Correction of Errors

As discussed in Note 2 to the financial statements, certain errors resulting in amounts previously reported for franchise fees, deferred revenue, contract costs deferred contract costs and notes receivable as of December 31, 2021 and 2020, were discovered by management of the Company during the current year. Accordingly, amounts reported for franchise fees, deferred revenue, contract costs, deferred contract costs and notes receivable have been restated in the 2021 and 2020 financial statements now presented, and an adjustment has been made to retained earnings as of December 31, 2020 and 2021 to correct the errors. We were not engaged to audit the years ended December 31, 2021 and 2020. We have audited the adjustments described in Note 2 that were applied to restate the 2021 and 2020 financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

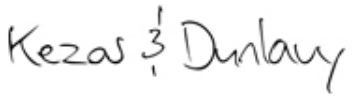
Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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



St. George, Utah
March 27, 2023

RENUE SYSTEMS DEVELOPMENT CORP., INC.
Balance Sheets
As of December 31, 2022, 2021, (restated) and 2020 (restated)

	2022	2021 (Restated*)	2020 (Restated*)
Assets			
Current assets			
Cash and cash equivalents	$ 253,329	$ 4,096	$ 139,872
Accounts receivable	379,993	286,551	203,524
Notes receivable, current portion	37,832	57,604	135,564
Due from affiliated companies	965,443	1,412,803	1,400,141
Contract assets, current	20,531	28,099	46,910
Total current assets	1,657,128	1,789,153	1,926,011
Notes receivable, long term portion	124,928	135,747	248,927
Contract assets, long term	34,060	38,362	66,462
Total assets	$ 1,816,116	$ 1,963,262	$ 2,241,400
Liabilities and Shareholder's Equity			
Current liabilities			
Accrued expenses	$ 22,000	$ 4,850	$ 14,900
Deferred revenue, current portion	142,799	181,763	320,046
Total current liabilities	164,799	186,613	334,946
Non-current liabilities			
Shareholder payable	5,000	5,000	5,000
Deferred revenue, long term portion	251,971	253,220	360,483
Total long term liabilities	256,971	258,220	365,483
Shareholder's Equity			
Common stock, $0.00 par value; Authorized 1,000 shares, 200 issued and outstanding as of December 31, 2022, 2021 and 2020	1,000	1,000	1,000
Retained earnings	1,401,684	1,517,429	1,539,971
Shareholder's equity	1,402,684	1,518,429	1,540,971
Total liabilities and shareholder's equity	$ 1,824,454	$ 1,963,262	$ 2,241,400

The accompanying notes are an integral part of the financial statements.

*Certain amounts shown here do not correspond to the 2021 and 2020 financial statements and reflect adjustments made. Refer to Note 2.

RENUE SYSTEMS DEVELOPMENT CORP., INC.
Statements of Operations
For the years ended December 31, 2022, 2021 (restated) and 2020 (restated)

	2022	2021 (Restated*)	2020 (Restated*)
Operating revenue			
Initial franchise fees	$ 181,762	$ 184,045	$ 249,990
Equipment package fees	44,500	-	153,000
Royalties	1,565,436	1,095,947	732,022
Other revenue	8,825	6,550	27,500
Total operating revenue	1,800,523	1,286,542	1,162,512
Cost of equipment sold	31,759	-	103,632
Gross margin	1,768,764	1,286,542	1,058,880
Operating expenses			
Related party management fees	1,020,000	740,000	540,000
General and administrative	68,458	130,155	107,796
Selling expenses	38,870	50,097	80,429
Total operating expenses	1,127,328	920,252	728,225
Net operating income	641,436	366,290	330,655
Other income			
Interest income	2,914	2,717	14,649
Net income	$ 644,350	$ 369,007	$ 345,304

The accompanying notes are an integral part of the financial statements.

*Certain amounts shown here do not correspond to the 2021 and 2020 financial statements and reflect adjustments made. Refer to Note 2.

RENUE SYSTEMS DEVELOPMENT CORP., INC.

Statements of Shareholder's Equity

For the years ended December 31, 2022, 2021 (restated) and 2020 (restated)

	Common Stock	Accumulated Earnings	Total
Balances at December 31, 2019	$ 1,000	$ 1,241,614	$ 1,242,614
Shareholder dividends	-	(100,000)	(100,000)
Net income	-	345,304	345,304
Cumulative impact of prior year correction of errors	-	61,391	61,391
Balances at December 31, 2020 (restated*)	$ 1,000	$ 1,548,309	$ 1,549,309
Shareholder dividends	-	(391,549)	(391,549)
Net income	-	369,007	369,007
Balances at December 31, 2021 (restated*)	$ 1,000	$ 1,525,767	$ 1,526,767
Shareholder dividends	-	(768,433)	(768,433)
Net income	-	644,350	644,350
Balances at December 31, 2022	$ 1,000	$ 1,401,684	$ 1,402,684

The accompanying notes are an integral part of the financial statements.

*Certain amounts shown here do not correspond to the 2021 and 2020 financial statements and reflect adjustments made. Refer to Note 2.

RENUE SYSTEMS DEVELOPMENT CORP., INC.

Statements of Cash Flows

For the years ended December 31, 2022, 2021 (restated) and 2020 (restated)

	2022	2021 (Restated*)	2020 (Restated*)
Cash flow from operating activities:			
Net income	$ 644,350	$ 369,007	$ 345,304
Adjustments to reconcile net income to net cash provided by operating activities:			
Bad debt expense	36,062	57,593	81,244
Cumulative impact of prior year correction of erro	-	-	(61,391)
Changes in operating assets and liabilities:			
Accounts receivable	(103,370)	(140,620)	56,113
Notes receivable	4,457	191,140	(288,331)
Due from affiliated companies	447,360	(12,662)	(193,242)
Contract assets	11,870	46,911	(113,372)
Accrued expenses	17,150	(10,050)	(1,747)
Deferred revenue	(40,213)	(245,546)	680,529
Net cash used by operating activities	1,017,666	255,773	505,107
Cash flows from investing activities:	-	-	-
Cash flows from financing activities:			
Shareholder dividends	(768,433)	(391,549)	(100,000)
Net cash used by financing activities	(768,433)	(391,549)	(100,000)
Net change in cash and cash equivalents	249,233	(135,776)	405,107
Cash at the beginning of the period	275,942	411,718	6,611
Cash at the end of the period	$ 525,175	$ 275,942	$ 411,718
Supplemental disclosure of cash flow information:			
Cash paid for taxes	$ 32,534	$ 28,885	$ -

The accompanying notes are an integral part of the financial statements.

*Certain amounts shown here do not correspond to the 2021 and 2020 financial statements and reflect adjustments made. Refer to Note 2.

(1) Nature of Business and Summary of Significant Accounting Policies

(a) Nature of Business

Renue Systems Development Corp, Inc. (the “Company") was incorporated on December 20, 2000 in the State of Delaware, for the principal purpose of selling and supporting the Renue franchise system, which provides hotel hygiene solutions.

The Company uses the accrual basis of accounting, and their accounting period is the 12-month period ending December 31 of each year.

(b) Accounting Standards Codification

The Financial Accounting Standards Board (“FASB”) has issued the FASB Accounting Standards Codification (“ASC”) that became the single official source of authoritative U.S. generally accepted accounting principles (“GAAP”), other than guidance issued by the Securities and Exchange Commission (SEC), superseding existing FASB, American Institute of Certified Public Accountants, emerging Issues Task Force and related literature. All other literature is not considered authoritative. The ASC does not change GAAP; it introduces a new structure that is organized in an accessible online research system.

(c) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

(d) Cash and Cash Equivalents

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. As of December 31, 2022, 2021, and 2020, the Company had cash and cash equivalents of $253,239, $4,096, and $139,872, respectively.

(e) Financial Instruments

For certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, operating notes receivable, and accounts payable, the carrying amounts approximate fair value due to their short maturities. The amounts shown for notes payable also approximate fair value because current interest rates and terms offered to the Company for similar debt are substantially the same. Related party transactions may not be stated at fair market value.

(f) Accounts Receivable

Accounts receivable are recorded for amounts due based on the terms of executed franchise agreements for franchise sales, royalty fees, and services provided to franchisees. Accounts receivable are recorded at the invoiced amount and do not bear interest, although a finance charge may be applied to such receivables that are past the due date. The allowance for doubtful accounts is the Company’s best estimate of the amount of probable credit losses in the Company’s existing accounts receivable. The Company determines the allowance based on historical collections, customers’ current creditworthiness, age of the receivable balance both individually and in the aggregate, and general economic conditions that may affect the customer’s ability to pay. All account balances are reviewed on an individual basis. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. When recoveries of receivables previously charged off are made, they are recognized as income when payment is received. As of December 31, 2022, 2021, and 2020, the Company had net receivables of $379,993, $286,551, and $203,524, respectively. As of

December 31, 2022, 2021, and 2020, the Company had allowances for doubtful accounts of $51,040, $51,343, and $10,000 respectively.

(g) Revenue Recognition

The Company's primary revenues consist of fees from franchisees for initial franchise fees, royalties, and equipment sales.

The Company recognizes revenue under ASC 606, *Revenue from Contracts with Customers*. ASC 606 provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the considerations expected to be received for those goods or services. ASC 606 provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the considerations expected to be received for those goods or services. In implementing ASC 606, the Company evaluated all revenue sources using the five-step approach: identify the contract, identify the performance obligations, determine the transaction price, allocate the transaction price, and recognize revenue.

For each area representative agreement and franchised location, the Company enters into a formal agreement that clearly outlines the transaction price, which includes an initial fee, ongoing royalties, and the Company's performance obligations.

Upon evaluation of the five-step process, the Company has determined that royalties from locations operated by franchisees, which are based on a percentage of gross revenue, are to be recognized at the time the underlying sales occur and upfront equipment sales revenue is recognized upon control of the underlying assets. Initial franchise fees are recognized as the Company satisfies the performance obligation over the franchise term, which is generally 5 years.

(h) Income Taxes

The Company has elected to be taxed under provisions of Subchapter S of the Internal Revenue Code. Under those provisions, the Company does not pay federal corporate income taxes on its taxable income nor is it allowed a net operating loss carryover or carryback as a deduction. Instead, the shareholders are liable for individual federal income taxes on their respective share of the Company's taxable income or operating loss. The Company follows the guidance under Accounting Standards Codification ("ASC") Topic 740, Accounting for Uncertainty in Income Taxes. ASC Topic 740 prescribes a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in the tax return. If taxing authorities were to disallow any tax positions taken by the Company, the additional income taxes, if any, would be imposed on the members rather than the Company.

In 2021, the state of Illinois enacted a new entity level tax whereby S corporations may elect to pay the individual level taxes on behalf of the shareholders. The Company has elected to pay these state income taxes for 2021 and 2022 rather than have the shareholder pay these taxes individually. The shareholder was personally responsible for these state taxes for the year ended December 31, 2020. In addition, the state of Illinois imposes a 1.5% replacement tax on corporations electing S Corporation status. State replacement tax expense for the years ended December 31, 2021, 2020 and 2019 was $19,085, $8,338 and $10,179, respectively.

The Company's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of December 31, 2022, the 2021, 2020, and 2019 tax years are subject to examination.

(i) Advertising Costs

The Company expenses advertising costs as incurred. No advertising expenses were incurred during the the years ended December 31, 2022, 2021, and 2020.

(j) Concentration of Risk

The Company maintains its cash in bank deposit accounts which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risks on cash or cash equivalents.

(2) Restatement – Correction of Errors

The financial statements for the Company for the year ended December 31, 2021 and 2020 have been restated to reflect certain errors in reporting of franchise revenue, deferred revenue, and notes receivable in order to record franchise revenue in accordance with ASC 606 *Revenue from Contracts with Customers*. Management had determined that certain franchise agreements were not amortized in accordance with the Company's revenue recognition policy during 2021 and 2020. Contract costs associated with the sale of franchise agreements have also been restated to reflect the appropriate amortization of those costs to match the amortization of the related franchise agreements. In addition, a note receivable received as consideration for a franchise agreement has been restated to be reflected in 2020 when the note was executed. Prior to the restatement the note was recorded in 2021.

The following financial statement areas have been affected as of December 31, 2021:

	2021 As Previously Reported	2021 Restated	Adjustments
Contract assets	$ 32,500	$ 66,461	$ 33,961
Deferred revenue	280,017	434,983	154,966
Initial franchise fees	172,014	184,045	12,031
Selling expenses	-	50,097	50,097
Retained earnings	$ 1,638,434	$ 1,517,429	$ (121,005)

The following financial statement areas have been affected as of December 31, 2020:

	2020 As previously reported	2020 Restated	Adjustments
Notes receivable	$ 319,991	$ 384,491	$ 64,500
Deferred revenue	449,032	680,529	231,497
Initial franchise fees	421,841	249,990	(171,851)
Equipment package fees	57,218	153,000	95,782
Selling expenses	115,800	80,429	(35,371)
Retained earnings	$ 1,622,910	$ 1,539,971	$ (82,939)

(3) Franchise Agreements

The Company's franchise agreements generally provide for a payment of initial fees and equipment package fees as well as continuing royalty fees to the Company based on a percentage of sales. Under the franchise agreement, franchisees are granted the right to operate franchise system for a period of five years. As of January 1, 2020, under the Company's revenue recognition policy, franchise fees and any corresponding commissions (contract costs) are recognized over the life of the contract. Equipment package fees and their pro-rata allocation of contract costs are recognized at the time of sale. That portion of franchise fee revenue and contract costs to be recognized within the following year is categorized as current, with balance of deferred revenue others are classified as non-current.

The Company has estimated the following current and non-current portions of deferred revenue as of December 31, 2022, 2021, and 2020:

	2022	2021	2020
Deferred revenue – current	$ 142,799	$ 181,763	$ 320,046
Deferred revenue – non-current	251,971	253,220	360,483
	$ 394,770	$ 434,983	$ 680,529

The Company has estimated the following current and non-current portions of deferred contract assets as of December 31, 2022, 2021, and 2020:

	2022	2021	2020
Deferred commissions – current	$ 20,531	$ 28,099	$ 46,910
Deferred commissions – non-current	34,060	38,362	66,462
	$ 54,591	$ 66,461	$ 113,372

(4) Related Party Transactions

(a) Due From Affiliated Companies

The Company routinely shares operating costs with a related party entities under common control. The related parties charge the Company a management fee to cover these shared costs. During the years ended December 31, 2022, 2021, and 2020, the Company the related party entities management fees of $1,020,000, $740,000 and $540,000 respectively. The net difference between the costs incurred on behalf of the Company, the management fees incurred, and the amounts paid to the related party as December 31, 2022, 2021, and 2020 was 965,443, $1,412,803, and $1,400,141. It is the intention of the Company to collect the amounts as cash flow permits.

(b) Royalties

The sole shareholder of the Company owns a franchise in the Chicago area. During the years ended December 31, 2022, 2021, and 2020, the Company received $179,919, $138,135, and $179,919 in royalties from this related affiliate franchise location.

(5) Notes Receivable

The Company routinely finances the sale of franchise locations. The notes have varying terms of interest between 0% and 6%, and varying maturities between thirty and sixty nine months. As of December 31, 2022, 2021, and 2020, total amounts due from the notes were $162,760, $193,351, and $384,491 respectively. Principal payments due with one year are classified as current.

(6) Commitments and Contingencies

(a) Litigation

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In accounting for legal matters and other contingencies, the Company follows the guidance in ASC Topic 450 Contingencies, under which loss contingencies are accounted for based upon the likelihood of incurrence of a liability. If a loss contingency is “probable” and the amount of loss can be reasonably estimated, it is accrued. If a loss contingency is “probable” but the amount of loss cannot be reasonably estimated, disclosure is made. If a loss contingency is “reasonably possible,” disclosure is made, including the potential range of loss, if determinable. Loss contingencies that are “remote” are neither accounted for nor disclosed.

In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

(b) COVID-19

On March 11, 2020, the World Health Organization classified the outbreak of a new strain of the coronavirus ("COVID-19") as a pandemic. The COVID-19 outbreak in the United States began in mid-March 2020 and has continued through 2022 and subsequent to the fiscal year end. It is continuing to disrupt supply chains and affect production and sales across a range of industries. Management believes the pandemic has had a material effect on the Company's operations, reducing revenue from both new and existing franchisees. The extent of the impact of COVID-19 on the Company's future operational and financial performance continues to evolve and will depend on certain ongoing developments, including the duration and spread of the outbreak, impact on the Company's customers and vendors all of which are uncertain and cannot be reasonably estimated. At this point, the full extent to which COVID-19 may impact the Company's future financial condition or results of operations is uncertain.

(7) Subsequent Events

Management has reviewed and evaluated subsequent events through March 27, 2023, which is the date the financial statements were issued.

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

Renue Systems Development Corp.

Balance Sheet

As of June 30, 2023

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1030 Chase Bank	622,912.81
Total Bank Accounts	**$622,912.81**
Accounts Receivable	
1100 Accounts Receivable	171,481.34
Total Accounts Receivable	**$171,481.34**
Other Current Assets	
1101 Accrued Royalties	-749.04
1109 Due from RSC	3,149,627.65
1110 Due from RSI	0.00
1116 Due from NCF	632,871.06
1118 Due from RSP	0.00
1120 Allowance for doubtful accounts	-51,040.32
1200 Undeposited Funds	14,592.38
1400 Accrued Interest Receivable	0.00
Total Other Current Assets	**$3,745,301.73**
Total Current Assets	**$4,539,695.88**
Other Assets	
1800 Note Rec. - Lieberman	33,500.00
1801 Note Rec. - Mullins	0.01
1802 Note Rec. - Butler (PA & NE)	0.00
1803 Note Rec. - Lopez	43,144.83
1822 Note Rec. - Orlando Franchise	69,000.00
1837 Note Rec. San Diego	0.00
1842 A/A - Franchise Fees	0.00
1843 Deferred Commissions	54,591.00
Total Other Assets	**$200,235.84**
TOTAL ASSETS	**$4,739,931.72**

	TOTAL
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable	0.00
Total Accounts Payable	**$0.00**
Other Current Liabilities	
2002 State Income Tax	-2,000.00
2005 Deferred State Income Tax	24,000.00
2105 Due to Chase LOC	0.00
2109 Due to RSC	0.00
2110 Due to RSI	2,564,261.14
2116 Due to NCF	0.00
2118 Due to RSP	0.00
2119 Due to FDR	0.00
Deferred Revenue	394,770.00
Out Of Scope Agency Payable	0.00
Total Other Current Liabilities	**$2,981,031.14**
Total Current Liabilities	**$2,981,031.14**
Long-Term Liabilities	
2300 Due to Shareholder - Grossman	5,000.00
Total Long-Term Liabilities	**$5,000.00**
Total Liabilities	**$2,986,031.14**
Equity	
3010 Capital Stock	1,000.00
3120 S-Corp Distributions	-740,000.00
3140 Shareholder Distributions	0.00
3200 Retained Earnings	2,133,346.14
Net Income	359,554.44
Total Equity	**$1,753,900.58**
TOTAL LIABILITIES AND EQUITY	**$4,739,931.72**

Renue Systems Development Corp.

Profit and Loss

January - June, 2023

	TOTAL
Income	
4030 Franchise Renewal Fees	5,000.00
4060 Residual Payment	646,441.35
Total Income	**$651,441.35**
GROSS PROFIT	**$651,441.35**
Expenses	
5100 Management / Admin Fees	270,000.00
6040 Bank Service Charges	1,395.44
6160 Dues & Subscriptions	165.00
6170 Computer and Internet Expenses	27.50
6665 Accounting Fees	9,437.36
6870 Miscellaneous	0.10
Total Expenses	**$281,025.40**
NET OPERATING INCOME	**$370,415.95**
Other Income	
8999 Interest Income	1,187.49
Total Other Income	**$1,187.49**
Other Expenses	
7999 State Replacement Tax and PTE	12,049.00
Total Other Expenses	**$12,049.00**
NET OTHER INCOME	**$ -10,861.51**
NET INCOME	**$359,554.44**

RENUE SYSTEMS DEVELOPMENT CORP., INC.

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT D:

FRANCHISE AGREEMENT

EXHIBIT D

FRANCHISE NUMBER _____

DATE EXECUTED _____

RENUE®

FRANCHISE AGREEMENT

Renue Systems Development Corp., Inc.

with

_____

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FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "Agreement") is made this _____ day of _____, 20 _____, between Renue Systems Development Corp., Inc., an Illinois corporation located at 1147 North Main Street, Lombard, Illinois 60148 (hereinafter called the "Company") _____, a(n) _____ located at _____ (hereinafter called the "Franchisee"), for one RENUE® franchise (the "Franchised Business") within the Protected Area (as defined below).

RECITALS

A. The Company franchises commercial cleaning, restoration and maintenance businesses under the name "RENUE®" in connection with various other trade and service marks now existing and that may in the future be developed by the Company, including in some instances the mark National Appeal® (collectively, the "Marks"). The Company has the right and authority to license the use of the Marks to selected persons and entities that will operate franchised Renue® businesses in compliance with the Company's uniformity requirements and quality standards.

B. The Company has developed certain procedures, techniques, business methods, business forms, business policies, uniformity requirements and quality standards and a body of knowledge pertaining to the establishment and operation of the franchised RENUE® businesses (the "System"). The Franchisee acknowledges that prior to entering into this Agreement, the Franchisee did not know these procedures, techniques, business methods, business policies, uniformity requirements and quality standards, nor did the Franchisee have these business forms or access to the Company's body of knowledge.

C. The Company has extensively publicized the name "RENUE®" to the public as an organization of commercial cleaning, restoration and maintenance businesses operating under the System. The Company intends, in the exercise of its business judgment, to develop, use and control the use of the Marks in order to identify for the public the source of products and related services marketed under the System, and to represent to the public the System's uniform high standards. The Company may modify the System in the exercise of its business judgment and may authorize variations in the System, tests of potential new products and services, and the introduction of products and services in stages over time, all in the exercise of its business judgment to enhance the marketing, consumer acceptance, competitive position, compliance obligations, and other objectives intended to facilitate operations over the term of this Agreement.

D. The Franchisee intends to enter into the Franchised Business and desires access to the Company's System pertaining to the operation of the Franchised Business. In addition, the Franchisee desires access to information pertaining to new developments and techniques in the Company's System. The Franchisee desires to develop, own and operate the Franchised Business in strict conformity with the System, as may be established and modified by the Company from time to time, and all other terms of this Agreement. The Franchisee understands the importance of the high standards of quality, procedures, controls and service established by the Company, and the necessity of operating the Franchised Business in strict conformity with the System.

E. The Franchisee desires to participate in the use of the Marks and the System in connection with one Franchised Business to be operated solely in the Protected Area.

F. The Franchisee understands that information received from the Company or from any of its officers, employees, agents or franchisees is confidential and has been developed with a great

deal of effort and expense. The Franchisee acknowledges that the information is being made available to the Franchisee so that the Franchisee may more effectively establish and operate a Franchised Business.

G. The Company has granted, and will continue to grant to others, access to its System.

H. The Company has licensed, and will continue to license, others to use the Marks in connection with the operation of Franchised Businesses.

I. For the purposes of this Agreement, the "Franchisee" will mean the individual, individuals, corporation, limited liability company, partnership, limited partnership or any other type of legal entity formed in compliance with applicable law formed to be the Franchisee under this Agreement.

AGREEMENT

Acknowledging the above recitals, the parties hereto agree as follows:

1. Fees.

A. Initial Franchise Fee. The Franchisee shall pay to the Company a non-refundable Initial Franchise Fee of $74,500 on the date that the Franchisee signs this Agreement.

B. Initial Equipment, Chemicals, Supplies and Training Package Fee. In addition to the Initial Franchise Fee, the Franchisee shall pay to Renue Systems, Inc. a non-refundable Initial Equipment, Chemicals, Supplies and Training Package Fee of $44,500 on the date that the Franchisee signs this Agreement.

C. Royalty Fee. In addition to the other fees due under this Agreement, the Franchisee will pay the Company a royalty fee on the last day of each calendar month (the "Royalty Fee"), calculated as follows during the term of this Agreement:

Operations Period	Monthly Royalty Fee
Year 1	10% of the Franchisee's Gross Sales
Year 2	Greater of i) 10% of the Franchisee's Gross Sales; or ii) $1,000
Year 3	Greater of i) 10% of the Franchisee's Gross Sales; or ii) $2,000
Year 4 and each Subsequent Year	Greater of i) 10% of the Franchisee's Gross Sales; or ii) $2,500

Royalty Fees will be based on the Franchisee's Gross Sales during the previous calendar month. "Gross Sales" will mean all sales or revenues, regardless of whether such amounts are actually collected by the Franchisee, invoiced or otherwise derived directly or indirectly from the Franchised Business, but excluding sales taxes collected from customers and paid to the appropriate taxing authority.

The Franchisee hereby agrees to execute and deliver such instruments, agreements and other documents as may be necessary to enable the Company to present a monthly bank draft on the Franchisee's bank account for Royalty Fees, including, without limitation, the Authorization Agreement for Direct Debits (ACH Debits) attached to this Agreement as Exhibit D. Franchisee hereby covenants to maintain sufficient funds in its account for the drafts initiated by the Company for Royalty Fees to be honored.

D. General Provisions Regarding Payment of Fees. If the Franchisee fails to timely remit any amount payable to the Company under this Agreement or any other Agreement between the Company and the Franchisee, then the past due amount will bear simple interest at the lesser of the maximum legal rate allowable by applicable law or 1.5% simple interest per month. The Franchisee will also pay the Company a late payment fee of $250 for each payment not made to the Company by the due date (the "Late Payment Fee"). The Late Payment Fee is due and payable within 10 days after the delinquent payment was due, and thereafter on the 10th day of each month until the delinquent payment is made by the Franchisee. The Franchisee will also, on the date invoiced, immediately reimburse the Company for any and all costs incurred by the Company in the collection of any past due amounts, including attorneys' fees and costs.

E. No Right of Offset. The Franchisee's obligation to pay the Company the amounts due under this Agreement pursuant to the terms of this Agreement are absolute and unconditional, and will remain in full force and effect for the entire term of this Agreement. The Franchisee will not have the "right of offset" and, as a consequence, the Franchisee will timely pay all amounts due to the Company under this Agreement regardless of any claims or allegations the Franchisee may allege against the Company and regardless of whether the Franchised Business is open for operations.

F. Electronic Funds Transfer. The Franchisee will, from time to time during the term of this Agreement, execute such documents as the Company may request to provide the Franchisee's unconditional and irrevocable authority and direction to its bank or financial institution authorizing and directing the Franchisee's bank or financial institution to pay any amounts due under this Agreement by Electronic Funds Transfer ("EFT"). The EFT authorizations will be in the form prescribed by the Company's bank. The Electronic Funds Transfer will be made on the last day of each calendar month for the payment of Royalty Fees, as set forth in this Agreement or upon the issuance of an invoice by the Company for other amounts payable by the Franchisee. The Franchisee's authorizations will permit the Company to designate the amount to be transferred from the Franchisee's account, and to adjust such amount from time to time for the amounts due. The Franchisee will at all times maintain a balance in its account at its bank or financial institution sufficient to allow the appropriate amount to be transferred from the Franchisee's account for payment of the amounts due directly to the Company's bank account.

2. Protected Area. Except as provided to the contrary in this Agreement, the Franchisee will receive a "Protected Area" consisting of the area described on the Protected Area Exhibit (Exhibit A) attached to this Agreement and made a part hereof. The Franchisee's Protected Area is protected to the extent that the Company will not open, and will not grant another franchisee the right to open, another RENUE® business in the Protected Area. Notwithstanding the foregoing, the Company will have the absolute right to: (a) develop other cleaning and restoration business concepts under other brand names even if the locations for the concepts are within the Protected Area; (b) market, distribute, and sell, on a wholesale or retail basis, equipment, chemicals, supplies, and/or other products bearing any of the Marks by direct sale, Internet sale, mail order, infomercials, telemarketing or by any other marketing or distribution method, even if such sales are made to customers, distributors or retailers who are located in the Protected Area; and (c) acquire businesses that are the same as or similar to the Franchised Business or other RENUE® businesses and operate, or grant others the right to operate, such businesses regardless of whether such businesses are located within or outside the Protected Area, and to be acquired by any third party which operates, or grants others the right to operate, businesses that are the same as or similar to the Franchised Business or other RENUE® businesses regardless of whether such businesses are located within or outside the Protected Area. If the Franchisee receives a service or sales inquiry from a prospective customer located

outside the Protected Area, the Franchisee can pursue that prospective customer only if the prospective customer is requesting services for a location that is not located within the protected area of another franchisee, licensee, or Company- or affiliate-owned RENUE® business; otherwise, the Franchisee shall refer that prospective customer to the franchisee, licensee, or Company- or affiliate- owned RENUE® business providing RENUE® services for the protected area in which the prospective customer has requested services. If the Franchisee receives a prospective customer inquiry that it chooses not to diligently pursue, then the Franchisee must immediately notify the Company of this decision in writing. Thereafter or upon the determination by the Company that the Franchisee has not diligently pursued or serviced a customer account in the Protected Area, the Company will have the right to refer that customer to another franchisee, licensee, or Company- or affiliate- owned RENUE® business. Furthermore, if the Franchisee fails to sign the Company's then-current Preferred Customer Agreement as described more fully in Section 5.E of this Agreement or fails to perform under the Preferred Customer Agreement, the Company will have the right to refer any Preferred Customer located within (or with business activities within) the Protected Area to another franchisee, licensee, or Company- or affiliate-owned RENUE® business. The Franchised Business shall at all times be under the direct full-time supervision of the Franchisee or the Franchisee's approved manager who must have attended and passed the RENUE® training program.

3. Licensed Rights.

A. Operation of Franchised Business. The Company hereby grants to the Franchisee the personal right to operate one Franchised Business in conformity with the System using the name RENUE® and the other specified Marks within the Protected Area set forth and described in the Protected Area Exhibit to this Agreement. The Franchisee will not have the right to franchise, subfranchise, license or sublicense its rights under this Agreement. The Franchisee will not have the right to assign this Agreement or its rights under this Agreement, except as specifically provided for in this Agreement.

B. License of Marks and System. The Company hereby grants to the Franchisee the nonexclusive personal right to use the Marks and the System in accordance with the provisions of this Agreement. The Franchisee's nonexclusive personal right to use "RENUE®" as the name of the Franchisee's Franchised Business and its right to use the Marks and the System applies only to the Franchisee's Franchised Business and such rights will exist only so long as the Franchisee fully performs and complies with all of the conditions, terms and covenants of this Agreement. "Nonexclusive," for the purposes of this provision, will mean that the Company has or will grant franchises to other franchisees, licensees, dealers, entities or persons authorizing them to own and operate RENUE® businesses in conformity with the System using the name "RENUE®" and the other Marks, and that the Company, its affiliates and/or subsidiaries have operated and will continue to own and operate RENUE® businesses. The Franchisee shall at all times faithfully, honestly and diligently perform the Franchisee's obligations under this Agreement, continuously exert the Franchisee's best efforts to promote and enhance the Franchised Business and not engage in any other business or activity that conflicts with the Franchisee's obligations to operate the Franchised Business in compliance with this Agreement.

C. License of Marks and System. The rights we have granted to you under this Agreement are dependent on your achieving the following minimum performance regarding the Gross Sales generated from providing services to customers of your Franchised Business during each 12-month period during the initial term of this Agreement as follows (referred to as the "Minimum Performance Requirements"):

Operations Period	Annual Gross Sales Minimum Performance Requirement
Year 1	$0 (No Minimum)
Year 2	$120,000
Year 3	$240,000
Year 4 and each subsequent year	$300,000

The first Operations Period (Year 1) begins the first full month after you open the Franchised Business for business and is for the next 12 calendar months. Each Operations Period is the subsequent 12 months after the prior Operations Period ends. If you fail to satisfy any of the Minimum Performance Requirements for any Operations Period, and fail to cure any deficiencies (if we grant you an opportunity to cure such a default), we may, but are not required to, take any one or more of the following actions: (1) reduce the size of your Protected Area, with a corresponding reduction in the Minimum Performance Requirements; (2) require you or your manager(s) to attend and complete additional training; (3) terminate your Franchise Agreement and/or (4) or exercise any other rights available to us. You acknowledge and agree that the Minimum Performance Requirements do not constitute financial performance representations, and that we do not warrant or guaranty that you will achieve the Minimum Performance Requirements in any given year.

4. Company's Obligations. The Company agrees to:

A. Initial Training. Provide an initial training program for the operation of the Franchised Business using the System to the Franchisee and the Franchisee's manager (if applicable) and employees.

1. The initial training program will consist of a minimum of 66 hours of training over a period of seven days at the Company's facility in Lombard, Illinois, or another location designated by the Company. Before the Required Opening Date, the Franchisee and the Franchisee's manager (if applicable) and employees must attend and successfully complete the initial training program before commencing the operations of the Franchised Business. Any replacement manager for the Franchised Business must attend and successfully complete the initial training required by the Company within 30 days after the replacement manager is hired by the Franchisee. The Franchisee shall pay all transportation, lodging and other expenses incurred by the Franchisee, the Franchisee's manager, if applicable, and employees in attending the initial training program. If the Company determines, in its sole discretion, that the Franchisee and the Franchisee's manager (if applicable) did not successfully complete the initial training program to the Company's satisfaction, the Company shall have the right to terminate this Agreement, effective upon delivery of written notice thereof to the Franchisee. The Company encourages the Franchisee to begin training before incurring any costs or expenses related to the planned opening of the Franchised Business. The Company will not be liable to refund all or any portion of the Initial Franchise Fee or the Initial Equipment, Chemicals, Supplies and Training Package Fee or pay any costs or expenses the Franchisee, its manager or employees incur if the Company terminates this Agreement because the Franchisee and the Franchisee's manager (if applicable) did not pass the initial training program.

2. The Franchisee and its owners hereby waive any right to sue for damages or other relief, and release all known and unknown claims they may allegedly have against the Company and/or any of its affiliates and their employees, agents, officers and directors, arising out of the adequacy or accuracy of the information provided at or any activities occurring during the initial training program, additional training and/or opening assistance (collectively referred to as "Training" in this provision), or any harm or injury any attendee or

participant suffers during and as a result of his/her attendance at or participation in the Training. The Franchisee and the owners agree to hold the Company, its affiliates and their employees, agents, officers and directors harmless for any claims or damages incurred by the Franchisee, the Franchisee's manager, employees or agents arising out of, in any way connected with or as a result of attendance at or participation in the Training. The Franchisee and all persons who attend and participate in the Training on behalf of the Franchisee will sign the documentation required by the Company as a condition to their attendance at, participation in and successful completion of the Training.

B. **Advisory Services**. Provide continuing advisory services by telephone, email, a webinar or at your office or the Company's home office concerning the operation of the Franchisee's Franchised Business.

C. **Additional Assistance**. Provide additional assistance upon the written request of the Franchisee, at a cost to the Franchisee based on the Company's then-current daily fee for the Company's personnel performing such assistance, plus other reasonable expenses, including all transportation, lodging and other expenses.

D. **Equipment, Chemicals and Supplies**. Provide the Franchisee with the initial amounts of Equipment, Chemicals and Supplies specified in Exhibit B to this Agreement. The Company may, in its discretion, make modifications to Exhibit B based on the Franchisee's business and market. The Franchisee will have the obligation to transport the Equipment, Chemicals and Supplies to the storage facility for the Franchised Business, and if applicable, will be responsible for the shipping costs associated with the transportation of the Equipment, Chemicals and Supplies from the Company's home office to the Franchisee's storage facility. The Franchisee will acquire additional ongoing Equipment, Chemicals and Supplies from the Company, an affiliate, or other approved or designated sources in compliance with the terms of this Agreement.**Franchisee's Obligations.**

A. **Commencing Operations**. Within 30 days after the date of this Agreement, the Franchisee will provide to the Company the street address, telephone number and email address for the business or home office for the Franchised Business and the address of the storage facility for the Franchised Business, both of which must be located within the Protected Area, and will promptly notify the Company in writing of any changes to such information during the term of this Agreement. The Franchisee will commence operating the Franchised Business in the Protected Area within 60 days after the date of this Agreement (the "Required Opening Date"). If the Franchisee has not commenced operating the Franchised Business by the Required Opening Date, the Company shall have the right to terminate this Agreement. In such case, the Company will not be liable to refund all or any portion of the Initial Franchise Fee or the Initial Equipment, Chemicals, Supplies and Training Package Fee or pay any costs or expenses incurred by the Franchisee or its representatives.

B. **Compliance with Manuals**. The Franchisee shall operate the Franchised Business in accordance with the Technical Procedures Manual, the Sales Procedures Manual and such other confidential and copyrighted manuals, documents, memoranda and materials containing the standards and specifications developed by the Company for the operation of RENUE® businesses (the "Manuals") which may be amended from time to time as a result of experience, changes in the law or changes in the marketplace. The Franchisee acknowledges and agrees that the Company may edit, revise, update and amend the Manuals at any time and give the Franchisee notice of any changes to the Manuals via any reasonable method, including email. The Franchisee agrees to conform to such amendments, and to make all reasonable expenditures necessitated by the amendments, within the time periods reasonably established by

the Company. The Manuals as amended are intended to further the purposes of this Agreement and is specifically incorporated into this Agreement such that it shall constitute provisions of this Agreement as if fully set forth herein. The Company shall provide the Franchisee with access to one copy each of the Company's Manuals via any reasonable method, including as a hard paper copy or an electronic copy. The Franchisee shall not copy any part of the Manuals, permit any part of it to be copied, or disclose it to anyone not having a need to know its contents for purposes of operating the Franchised Business. The Franchisee shall refrain from conducting any business or selling any services or products other than those expressly approved by the Company. The Franchisee shall use the Franchisee's best efforts to promote and enhance the Franchised Business for the full term of this Agreement. The Manuals may specify certain fines for violations of the System or the System Standards including, but not limited to, a Non-Compliance Fee in the amount of $250 for each violation of the System or the System Standards by the Franchisee. The Company will provide the Franchisee with written notice of any assessed fines and such fines will be considered amounts due to the Company for purposes of this Agreement.

C. Compliance with System Standards. The Franchisee will use the Marks and the System in strict compliance with the mandatory moral and ethical standards, quality standards, health standards, operating procedures, data security standards, and other specifications, requirements and instructions required by the Company (the "System Standards"). It is understood and agreed that compliance with the mandatory System Standards as required by this Agreement including, but not limited to, the inspection and audit rights provided in this Agreement, and the Manuals are reasonable means by which the Company seeks to avoid and prevent conduct which is likely to impair the value of and the goodwill associated with the Marks and the System being licensed under this Agreement, and do not reflect any right or effort by the Company to control the day-to-day operation of the Franchised Business or the business decisions of the Franchisee. The System Standards exist to protect the Company's interests in the System and the Marks and to create a positive customer experience, and not for the purpose of establishing any control, or duty to take control, over those matters that are reserved to the Franchisee. The Franchisee agrees to comply with all mandatory System Standards contained in the Manuals, as they may be revised from time to time by the Company in the exercise of its business judgment; provided, however, that those portions of the Manuals that are expressly designated as recommendations are not intended to limit or control the business decisions of the Franchisee. The Franchisee understands and acknowledges that over the term of this Agreement, it may be appropriate for the Company, in the exercise of its business judgment, to adopt standards and business principles needed to maintain the reputation, legal status or competitive position of the Marks and the System and to reflect such details in the Manuals. To the extent that the Manuals, as they may be amended from time to time, conflict with this Agreement, the provisions of the Manuals then in effect shall control. The Franchisee further understands and acknowledges that due to local circumstances, the Company may occasionally adopt different standards and business principles to apply to different market areas or types of Franchised Businesses.

D. Conducting Franchised Business According to System Standards. The Franchisee (if the Franchisee is an individual) or the Franchisee's manager will devote his/her full time and best efforts to the operation, supervision, management, customer retention efforts, marketing and promotion of the Franchised Business. The Franchisee will conduct the Franchised Business offering only such services and products as the Company authorizes and offering all services and products required by the Company from time to time during the term of this Agreement. During the development and operation of the Franchised Business, the Franchisee will follow the mandatory System Standards contained in the Manuals. The Franchisee will develop, market and operate the Franchised Business in accordance with all required System Standards, as periodically modified or supplemented by the Company in the

Manuals or otherwise in writing. The System Standards will govern certain aspects of the development, marketing and operation of the Franchised Business, including without limitation, compliance with the following standards, specifications and requirements: (1) performance, quality and other relevant characteristics of the services and products offered by the Franchised Business; (2) use of the Marks and protection of confidential information; (3) types of authorized equipment, chemicals, vehicles, supplies and products; (4) designated and approved suppliers, including without limitation, the Company or its affiliates for the purchase of cleaning and deodorizing chemicals, supplies and equipment; (5) minimum hours of operation; (6) participation in market research and testing and product and service development programs prescribed by the Company; (7) qualifications, training, appearance and attitude of the Franchised Business' employees; (8) use and retention of standard forms; (9) use of standard formats; (10) use of computer hardware and software; (11) adoption of technological developments or advances; (12) use of social media, email campaigns and customer relationship management; (13) current products and services and the addition or deletion of new products and/or services; (14) sale of all products only in the weights, sizes, forms and packaging approved by the Company; and (15) minimum marketing and sales efforts and requirements to promote the Franchised Business in the Protected Area. The Franchisee shall bear all costs and expenses pertaining to the development, marketing, operation and maintenance of the Franchised Business and the Franchisee's compliance with the System Standards, as periodically modified or supplemented from time to time by the Company.

E. Preferred Customers. The Franchisee shall sign the Company's then-current form of Preferred Customer Agreement in order to provide services to any regional, national or international customer who has entered into a master services agreement or similar with the Company or its affiliates ("Preferred Customers"). The Company's current form of Preferred Customer Agreement is attached as Exhibit C, which may be amended from time to time. The Franchisee's failure to sign the Company's then-current Preferred Customer Agreement, or amendments thereto, constitutes an event of default under this Agreement and shall provide the Company the right to refer any Preferred Customer located within (or with business activities located within) the Protected Area to another franchisee, licensee, or Company- or affiliate- owned RENUE® business.

F. Operating and Maintaining Franchised Business. The Franchisee agrees to operate and maintain the Franchised Business in accordance with the System Standards contained in the Manuals and all other writings issued by the Company. All costs and expenses pertaining to operating and maintaining the Franchised Business shall be borne solely by the Franchisee. The Franchisee agrees to use only those items of equipment, vehicles, inventory, decor, cleaning and deodorizing chemicals, computer hardware and software, supplies, apparel and signs that the Company has approved for the Franchised Business as meeting its specifications and standards for appearance, function, trade dress, design, quality and performance, and to purchase or lease them only from the Company, its affiliates or other suppliers approved or designated by the Company. The Franchisee's purchase, lease or use of any equipment, vehicles, inventory, décor, cleaning and deodorizing chemicals, computer hardware and software, supplies, apparel and signs not approved by the Company for use in the operation of the Franchised Business, or the purchase, lease or use of any equipment, vehicles, inventory, décor, cleaning and deodorizing chemicals, computer hardware and software, supplies, apparel and signs from a supplier that has not been approved or designated by the Company is a material breach of this Agreement. If the Franchisee proposes to purchase, lease, or otherwise use any equipment, vehicles, inventory, decor, cleaning and deodorizing chemicals, computer hardware and software, supply, apparel or sign that is not then-approved by the Company or from a supplier not then-approved by the Company, the Franchisee shall first notify the Company in writing and shall submit to the Company sufficient specifications, photographs, drawings,

samples, and information, along with the Company's then-current daily fee for each person which the Company provides for this determination plus reasonable expenses, for a determination by the Company of whether such equipment, vehicle, inventory, decor, cleaning and deodorizing chemicals, computer hardware and software, supply, apparel or sign or proposed supplier complies with its System Standards relating to among other factors quality, price, consistency, reliability, financial capability, and customer relations, which determination shall be made and communicated in writing to the Franchisee within 30 days after receiving all requested information. The Franchisor may re-inspect the facilities and products of any supplier or approved item and revoke its approval of any item or supplier which fails to continue to meet any of Franchisor's criteria by providing written notice to Franchisee. The Franchisee acknowledges, agrees and accepts that the Company and its affiliates may be making a profit on the Franchisee's purchases when the Franchisee purchases any goods or services from the Company or its affiliates or from a designated or approved supplier. The Franchisee shall maintain the Franchised Business, equipment, vehicles, and furnishings in good repair, attractive appearance, and sound operating condition. The Franchisee at the Franchisee's expense shall bear responsibility for the repairs, re-equipping, and remodeling of the Franchised Business, vehicles, and equipment to be in compliance with the then-current standards and specifications utilized in the granting of RENUE® franchises every 2-1/2 years during the term of this Agreement, or as may be requested by the Company from time to time. The Franchisee shall make no material replacements of or alterations to the vehicles, equipment, signs or other assets of the Franchised Business without the prior written approval of the Company.

G. Operating in Compliance with Laws. The Franchisee agrees to operate the Franchised Business in compliance with all applicable laws and governmental regulations, including without limitation, government regulations relating to occupational hazards, health, workers' compensation and unemployment insurance, and the withholding and payment of federal and state income taxes, social security taxes and sales and service taxes. The Franchisee will obtain at the Franchisee's expense, and keep in force, any permits, licenses or other consents required for the development or operation of the Franchised Business. The Company makes no representations or assurances as to what licenses, permits, authorizations or similar legal requirements are required in connection with the operation of the Franchised Business. It is the Franchisee's sole responsibility to identify and obtain all such authorizations required to operate the Franchised Business.

H. Operation of Franchised Business. The Franchisee will be totally and solely responsible for the operation of its Franchised Business, and will control, supervise and manage all the employees, agents and independent contractors who work for or with the Franchisee. The Franchisee will be responsible for the acts of its employees, agents and independent contractors, and will take all reasonable business actions necessary to ensure that its employees, agents and independent contractors comply with all applicable federal, state, city, local and municipal laws, statutes, ordinances, rules and regulations. The Company will not have any right, obligation or responsibility to hire, control, supervise, manage or fire the Franchisee's employees, agents or independent contractors, and will not be involved in the day-to-day operations of the Franchised Business. The Franchisee shall be solely responsible for all employment decisions and functions of the Franchised Business including, without limitation, those related to hiring, firing, training, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, scheduling, supervision, and discipline of employees, regardless of whether the Franchisee receives information from the Company on these subjects. The Franchisee acknowledges and agrees that all personnel decisions shall be made by the Franchisee, without any influence or advice from the Company, and such decisions and actions shall not be, nor be deemed to be, a decision or action of the Company. Neither the Franchisee

nor any employee of the Franchisee shall be considered an employee of the Company under any circumstances.

I. <u>Purchase and Maintain Insurance</u>. The Franchisee agrees to purchase and maintain at all times during the term of this Agreement, at the Franchisee's sole expense, such insurance coverage as the Company may, in its sole discretion, prescribe from time to time, including but not limited to workers' compensation, comprehensive liability and property damage, vehicle liability, data security/cyber breach liability, business interruption and general and umbrella coverages. Such insurance coverage shall be maintained under one or more policies of insurance of the types and containing such terms and conditions and minimum liability protection in such amounts, as are specified from time to time by the Company, and issued by insurance carriers and purchased from insurance agents approved or required by the Company.

1. The Company may from time to time increase the minimum amount of coverage required under any policy, and require different or additional kinds of insurance to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, increased customer risks and obligations, or other relevant changes in circumstances. All insurance policies required hereunder shall name the Company and its affiliates (and their officers, directors, shareholders, members and employees) as additional insureds, shall contain a waiver by the insurance carrier of all subrogation rights against the Company, and shall provide that the Company will receive 30 days advance written notice of termination, expiration or cancellation or modification of any such policy.

2. Prior to the Franchisee's commencement of operations, upon any change in the Franchisee's insurance coverage or carrier, and annually thereafter, the Franchisee shall furnish to the Company a copy of the certificate, or other evidence of the insurance, renewal, or extension of each such insurance policy, together with evidence of payment of premiums, evidencing the required limits. If the Franchisee does not maintain such insurance as required, the Company may, at its option and in addition to its other rights and remedies hereunder, but shall not be obligated to, obtain such insurance and keep the same in full force and effect on the Franchisee's behalf, and the Franchisee shall reimburse the Company for all premiums and other expenses incurred by the Company in connection with obtaining such insurance.

3. In addition, the Franchisee shall defend, indemnify and save the Company harmless from any liability or claim of any type that arises in connection with the Franchisee's operation of the Franchised Business. The Franchisee's obligation to obtain and maintain insurance policies in the amounts specified shall not be limited in any way by reason of any insurance that the Company may maintain, nor does the Franchisee's procurement of required insurance relieve the Franchisee of liability under the Franchisee's indemnity obligations described in Section 11.D and elsewhere in this Agreement. The Franchisee's insurance procurement obligations under this Section are separate and independent of Franchisee's indemnity obligations. The Company does not represent or warrant that any insurance that the Franchisee is required to purchase will provide adequate coverage for the Franchisee and/or the Franchised Business. The Franchisee should consult with its own insurance agents, brokers, attorneys and other insurance advisors to determine the level of insurance protection it needs and desires, in addition to the coverage and limits required by the Company.

J. <u>Use of Company's Accounting and Records System</u>. The Franchisee agrees to use the bookkeeping, accounting, and record keeping system prescribed by the Company and submit to the Company such periodic reports, forms, and records as specified, and in the manner and at the time specified, in the Manuals. To ensure uniform financial statements are submitted by the Franchisee, the Company reserves the right to require the Franchisee to use

a standard chart of accounts for tracking income and expense items for the Franchised Business. For a period of five years from their date of preparation, the Franchisee will keep on file at the Franchisee's principal office and make available to the Company all such records, including, without limitation, the following: receipts, invoices, payroll records, check stubs, bank deposit receipts, sales tax records and returns, business and personal tax returns, and such journals and transactions which properly summarize the transactions of the Franchised Business. The Franchisee hereby grants permission to the Company to examine all records of any supplier pertaining to the Franchisee's purchases

1. The Franchisee shall furnish to the Company the following reports by the following dates: (a) by the 10th day following every calendar month, paper or electronic copies of the sales tickets (or equivalent documents as specified by the Company) for each sale made during the most recently ended period and a written report of Gross Sales of the Franchised Business for the period most recently ended; (b) by the 15th day after each calendar month, a profit and loss statement for the preceding calendar month and a year-to-date profit and loss statement and balance sheet; and (c) within 75 days after the end of each calendar year, a calendar year-end balance sheet and an annual profit and loss statement for the calendar year reflecting all year-end adjustments. The Franchisee must verify and sign all reports submitted to the Company. If the Franchisee fails to report the Franchisee's Gross Sales on a timely basis, the Company may estimate the Franchisee's Gross Sales; the Company may then withdraw from the Franchisee's account any unpaid Royalty Fee or other amount due by use of the electronic funds transfer system. The Franchisee authorizes the Company to utilize the data supplied by the Franchisee in such manner and for such purposes as the Company may desire, including but not limited to, operations reports, advertising reports, other business reports and in any publication, disclosure document, or advertisement related to the sale of Franchised Businesses or related entities by the Company, anywhere, at any time, without compensation therefore. The Company will have the right to charge a Non-Compliance Fee of $250 for each failure of the Franchisee to timely and accurately furnish any report required by the terms of this Agreement or as specified in the Manuals or otherwise in writing by the Company.

2. The Company may require the Franchisee to utilize a computer system, including a customer order processing and inventory control system and credit/debit card system, that is fully compatible with any programs or system that the Company, in its discretion, employs from time to time. All Gross Sales and sales-related information shall be recorded on such equipment. To the extent the Franchisee will store, process, transmit or otherwise access or possess cardholder data in connection with the sale of products and services at its Franchised Business, the Franchisee will maintain the security of cardholder data and adhere to the then-current Payment Card Industry Data Security Standards ("PCI DSS"), currently found at www.pcisecuritystandards.org. for the protection of cardholder data throughout the term of this Agreement. The Franchisee further understands it is responsible for the security of cardholder data in the possession or control of any independent contractors it engages to perform under this Agreement. Such contractors must be identified to and approved by the Company in writing before sharing cardholder data with the independent contractor. The Company will have full access to all of the Franchisee's data, system and related information stored by the Franchisee's computer system.

3. The Franchisee will comply with all laws and regulations relating to privacy and data protection, and will comply with any privacy policies and data protection and breach response policies the Company may establish. The Franchisee will notify the Company immediately of any suspected data breach at or in connection with the Franchised Business.

4. It is the Franchisee's responsibility to protect itself from disruptions, Internet access failures, Internet content failures, and attacks by hackers and other unauthorized intruders. The Franchisee waives any and all claims it may have against Company as the direct or indirect result of such disruptions, failures and attacks.

5. The Franchisee shall allow the Company's representatives to accompany the Franchisee during business hours to inspect and audit the Franchisee's business operations, records and reports. In the event any such inspection or audit discloses an understatement of the Gross Sales of the Franchised Business for any period, then the Franchisee shall pay to the Company within 10 days after receipt of the inspection or audit report, the amount of the underpayment, plus applicable interest and Late Payment Fees due as a result of the underpayment. Further, in the event such audit is made necessary by the failure of the Franchisee to furnish reports, financial statements, tax returns or schedules as herein required, or if an understatement of Gross Sales for any period is determined by any such inspection or audit to be greater than 2%, then the Franchisee shall reimburse the Company for the cost of such inspection or audit and the cost of the subsequent inspection or audit within 10 days after the Franchisee's receipt of an invoice from the Company indicating the amount owed by the Franchisee, including without limitation, the charges of attorneys and independent accountants, the travel expenses, room and board, and compensation of employees or agents of the Company, and the Company shall have the right to require the Franchisee to furnish, at the Franchisee's sole cost and expense, audited financial statements thereafter. In addition, the Franchisee shall pay for all costs, as specified above, of the inspection and audit if the Franchisee's books and records are not produced at the time of the inspection and audit, provided that the Company notified the Franchisee at least five days prior to the scheduled inspection and audit date. The Company shall have the right to review the operation and administration of the Franchised Business by quality control testing, periodic field reviews and such other tests, reviews and inspections and other reasonable actions deemed desirable by the Company.

6. The Franchisee acknowledges that to assure compliance with this Agreement, the Company shall have the unrestricted right to enter the Franchised Business to examine the operations and facilities including, but not limited to, testing, sampling, inspecting and observing the rendering of the services and products sold by the Franchisee in order to ascertain compliance or noncompliance with this Agreement. The Franchisee shall be under an affirmative duty to cooperate with the Company or its duly authorized representatives in any such inspection by rendering any assistance as may be reasonably requested. The Company shall have the right to observe, photograph and video tape the Franchisee's business operations for such consecutive or intermittent periods as the Company deems necessary. The Company shall have the right to interview personnel and customers of the Franchised Business.

K. <u>Refrain from Owning Conflicting or Competing Interests</u>. The Franchisee agrees to refrain from, whether directly or indirectly, owning, advising, engaging in or participating in any Competitive Business during the term of this Agreement. The Franchisee shall operate the Franchised Business in a manner which maximizes the Franchisee's Gross Sales consistent with sound marketing and business practices, and the Franchisee shall not engage in any business practice which reduces the Franchisee's Gross Sales. The Franchisee shall not employ or seek to employ any person employed by the Company, its affiliates, or another RENUE® business. For the purposes of this Agreement, the term "Competitive Business" will mean any cleaning or restoration business serving commercial and/or residential accounts or any business that offers licenses or franchises for cleaning or restoration businesses serving commercial and/or residential accounts, except an approved RENUE® business.

L. Advertising Fund. The Franchisee will contribute to the advertising fund (the "Advertising Fund") for such advertising and marketing programs as the Company in its sole discretion from time to time deems appropriate. The Company shall direct all advertising and marketing programs financed by the Advertising Fund, with sole discretion over the creative concepts, materials and endorsements used therein, and the geographic, market and media placement and allocation thereof. The Franchisee shall contribute to the Advertising Fund an advertising contribution which the Company may determine, increase or decrease from time to time, but which shall not exceed 1% of the Franchisee's Gross Sales, as herein defined. Advertising Fund contributions shall be paid together with the Royalty Fee due hereunder.

1. The Franchisee agrees that the Advertising Fund may be used to pay the costs of preparing advertising materials and administering national, regional and local advertising programs and public relations activities. These programs and activities may include, without limitation, creating direct mail and media materials, formulating advertising and marketing programs, developing and maintaining website and Internet-based advertising and marketing programs, employing advertising and marketing agencies to assist therewith, providing brochures and other advertising and marketing materials for RENUE® businesses, and participating in any national or regional trade shows that the Company, in its sole discretion, deems appropriate. Through the Advertising Fund, the Company shall furnish the Franchisee with approved advertising and marketing materials on the same terms and conditions as such materials are furnished to other RENUE® businesses. The Advertising Fund shall be accounted for separately from the other funds of the Company and shall not be used to defray 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 of the Advertising Fund and its advertising and marketing programs (including, without limitation, conducting market research, preparing advertising and marketing materials and collecting and accounting for contributions to the Advertising Fund). The Company shall be authorized to spend in any fiscal year an amount greater or less than the aggregate contribution of all RENUE® businesses to the Advertising Fund in that year, and the Advertising Fund may borrow from the Company or other lenders to cover deficits of the Advertising Fund or cause the Advertising Fund to invest any surplus for future use by the Advertising Fund. A report of the receipts and disbursements of the Advertising Fund shall be prepared annually, and shall be made available to the Franchisee upon written request. The cost of preparing the report shall be paid by the Advertising Fund. The Franchisee understands and acknowledges that the Advertising Fund is intended to maximize general public recognition and patronage of the Marks and RENUE® businesses for the benefit of all RENUE® businesses and that the Company undertakes no obligation in administering the Advertising Fund to ensure that expenditures which are proportionate or equivalent to the Franchisee's contributions are made for the market area of the Franchised Business or that any RENUE® business benefits directly or pro rata from the conduct of marketing programs or the placement of advertising. Except as expressly provided in this Section, the Company assumes no direct or indirect liability or obligation to the Franchisee with respect to the maintenance, direction or administration of the Advertising Fund.

2. The Company shall also be allowed to cause the Advertising Fund to be incorporated or operated through an entity separate from the Company at such time as the Company deems appropriate; such entity shall have the same rights and duties as the Company does pursuant to this Section. Upon 30 days prior written notice to the Franchisee, the Company shall have the right, in its sole discretion, (a) to suspend contributions to and operation of the Advertising Fund for one or more periods that the Company determines to be appropriate or (b) to terminate the Advertising Fund. The Company shall distribute all unspent monies of the Advertising Fund which was terminated to the Company, its affiliates and RENUE® franchisees in proportion to their respective contributions to the Advertising Fund

during the preceding 12-month period. The Company shall have the right to reinstate the Advertising Fund upon the same terms and conditions as set forth in this Agreement, upon 30 days prior written notice to the Franchisee.

M. Approved Advertising. If not prepared or previously approved by the Company, the Franchisee agrees to provide the Company with samples of all advertising, promotion and public relations materials that the Franchisee proposes to use in the course of promoting and operating its Franchised Business. The Company will process the approval requests as expediently as possible, but the Franchisee acknowledges that processing any such requests may take up to 14 days, and further acknowledges the Company is under no obligation to approve any advertising materials submitted by the Franchisee for examination. The Franchisee must receive an affirmative response from the Company prior to using any proposed advertising materials not provided by or already approved by the Company, and silence on behalf of the Company does not constitute approval. The Franchisee will comply with the minimum requirements established by the Company for advertising and marketing the Franchised Business in the Protected Area. The Franchisee will prepare monthly reports on its advertising and marketing activities in the Protected Area in the format and containing the information required by the Company as specified in the Manuals, and will submit such reports to the Company upon request.

N. Website. The Franchisee specifically acknowledges and agrees that any Website (as defined below) shall be deemed "advertising" under this Agreement, and will be subject to, among other things, the Company's approval pursuant to the prior paragraph of this Section. As used in this Agreement, the term "Website" means an interactive electronic document, contained in a network of computers linked by communications software, that the Franchisee operates or authorizes others to operate and that refers to the Franchised Business, the Marks, the Company and/or the System, including web pages, message transmission services, social networking sites and fan pages, chat services, and other similar technology as may be developed from time to time. In connection with any Website, the Franchisee agrees to the following: (1) before establishing the Website, the Franchisee shall submit to the Company for a 15-day review and approval period a sample of the Website format and information in the form and manner the Company may reasonably require; (2) the Franchisee shall not establish or use the Website without the Company's prior written approval; (3) in addition to any other applicable requirements, the Franchisee shall comply with the Company's standards and specifications for Websites as prescribed by the Company in the Manuals or otherwise in writing. If required by the Company, the Franchisee shall establish its Website as part of the Company's Website and/or establish electronic links to the Company's Website; and (4) if the Franchisee proposes any material revision to the Website or any of the information contained in the Website, the Franchisee shall submit each such revision to the Company for the Company's prior written approval. Even if initially approved, the Company reserves the right to require the Franchisee to remove its Website at any time upon written notice from the Company to the Franchisee.

O. Use of Marks and System.

1. The Franchisee agrees to use the Marks as the sole identification of the Franchised Business, provided that the Franchisee shall identify itself as the independent owner thereof in the manner prescribed by the Company. The Franchisee shall not use any Marks as part of any entity or trade name or with any prefix, suffix or other modifying words, terms, designs or symbols, or in any modified form, nor may the Franchisee use any Marks in connection with the sale of any unauthorized service or product or in any other manner not expressly authorized in writing by the Company. The Franchisee agrees to display the Marks

prominently and in the manner prescribed by the Company on or in connection with signs, posters, displays, service contracts, stationery and other forms the Company designates. Further, the Franchisee agrees to give such notices of trademark or service mark registrations and copyrights as the Company specifies and to obtain such fictitious or assumed name registrations as may be required under applicable law. All bank accounts, licenses, permits or other similar documents shall contain the actual name of the person or entity owning the Franchised Business and may contain "d/b/a "Renue." Any sign face bearing the RENUE® name shall be and shall remain the property of the Company, regardless of whether the Franchisee has paid a third party to make the manufacture or assemble the sign.

2. The Company warrants that, except as otherwise provided for herein, it has the right to license the Marks and the System to the Franchisee. Any and all improvements made by the Franchisee to the Marks or the System will be the sole and absolute property of the Company, which will have the exclusive right to register and protect all such improvements in its name in accordance with applicable law. The Franchisee's right to use and identify with the Marks and the System will exist concurrently with the term of this Agreement and such use by the Franchisee will inure exclusively to the benefit of the Company.

3. The Franchisee will only use the Marks designated by the Company and only in the manner authorized and permitted by the Company. The Franchisee's right to use the Marks is limited to the uses set forth in this Agreement and any unauthorized use will constitute an infringement of the rights of the Company under this Agreement and under the Lanham Act (15 U.S.C. §1051 et seq.). The Franchisee will not have or acquire any rights in any of the Marks or the System other than the right of use as provided herein. The Franchisee will have the right to use the Marks and the System only in the manner prescribed, directed and approved by the Company in writing and will not have the right to use the Marks in connection with the sale of any products or services other than those prescribed or approved by the Company for sale by the Franchisee. The Franchisee and its manager, employees and agents will not use any of the Marks on any social network, social media or online community on the Internet or any other online, digital or electronic medium including, but not limited to, any "blog," YouTube, Facebook, My Space, Twitter, Wikipedia, professional networks like LinkedIn, except with the prior written permission of the Company. The Franchisee will not make any derogatory, defamatory or libelous statements in any transmission made via the Internet or by any other means. If in the judgment of the Company, the acts of the Franchisee are contrary to the limitations set forth in this Agreement or infringe upon or demean the goodwill, uniformity, quality or business standing associated with the Marks or the System, then the Franchisee will, upon written notice from the Company, immediately modify its use of the Marks or the System in the manner prescribed by the Company in writing.

4. If there are any claims by any party that its rights to any or all of the Marks are superior to those of the Company and if the attorneys for the Company are of the opinion that such claim by a party is legally meritorious, or if there is an adjudication by a court of competent jurisdiction that any party's rights to the Marks are superior to those of the Company, then upon receiving written notice from the Company, the Franchisee will, at its sole expense, immediately adopt and use the changes and amendments to the Marks that are specified by the Company. If so specified, the Franchisee will immediately cease using the Marks specified by the Company, and will, as soon as reasonably possible, commence using the new trademarks, trade names, service marks, logos, designs and commercial symbols designated by the Company in writing, and in connection with all advertising, marketing and promotion of the Franchisee's Franchised Business. The Franchisee will not make any changes or amendments whatsoever to the Marks or the System without the written approval of the Company.

5. The Franchisee will have no right to and will not defend or enforce any rights associated with the Marks or the System in any court or other proceedings for or against imitation, infringement, prior use or for any other claim or allegation. The Franchisee will give the Company immediate written notice of any and all claims or complaints made against or associated with the Marks and the System and will, without compensation for its time and at its expense, cooperate in all respects with the Company in any lawsuits or other proceedings involving the Marks and the System. The Company will have the sole and absolute right to determine whether it will commence or defend any litigation involving the Marks and/or the System, and the cost and expense of all litigation incurred by the Company, including attorneys' fees, specifically relating to the Marks or the System will be paid by the Company.

6. If the Franchisee is named as a defendant or party in any action involving the Marks or the System solely because the plaintiff or claimant is alleging that the Franchisee does not have the right to use the Marks or the System, then the Franchisee will have the right to tender the defense of the action to the Company, and the Company will, at its expense, defend the Franchisee in the action provided that the Franchisee has tendered defense of the action to the Company within seven days after receiving service of the pleadings or the summons and complaint relating to the action. The Company will indemnify and hold the Franchisee harmless from any damages assessed against the Franchisee in any actions resulting solely from the Franchisee's use of the Marks or the System at the Franchised Location if the Franchisee has timely tendered defense of the action to the Company.

7. The Franchisee may, at its expense, retain an attorney to represent it individually in all litigation and court proceedings involving the Marks or the System, and may do so with respect to matters involving only the Franchisee (i.e., not involving the Company or its interests); however, the Company and its attorneys will control and conduct all litigation involving the Marks or the System and the rights of the Company. Except as expressly provided for herein, the Company will have no liability for any costs that the Franchisee may incur in any litigation involving the Marks or the System, and the Franchisee will pay for all costs, including attorneys' fees, that it may incur in any litigation or proceeding arising as a result of matters referred to under this provision, if the Franchisee has not timely tendered the defense to the Company as described above.

P. **Ongoing Training**. The Franchisee agrees that it shall participate, if the Company requires, in up to one week per calendar year of refresher training in the operations and marketing of the Franchised Business, at the Franchisee's expense. The refresher training will be at a location selected by the Company. The refresher training may or may not take place at an annual convention of franchisees.

Q. **Convention**. The Franchisee or a designated representative shall attend each convention, seminar, meeting or other group session or gathering ("Convention") held by the Company. The date and location of all such Conventions will be at the sole discretion of the Company. The Franchisee will pay the registration fee established by the Company for each person attending the Convention. The failure of the Franchisee or a designated representative to attend a Convention held by the Company or the Company's waiver, in its sole discretion, of the mandatory attendance of the Franchisee or its designated representative at a Convention shall not release the Franchisee from its obligation to pay to the Company the registration fees for the Convention. The Franchisee will also pay the salaries and benefits, the travel expenses and all other expenses incurred by the persons attending the Convention on the Franchisee's behalf.

R. **Advisory Council**. The Franchisee shall participate actively in a RENUE® Advisory Franchisee Council (the "Council") and participate in all Council programs, for the Franchisee's particular Council, approved by the Company. Such Council may be formed by the Company, in its sole discretion, at any time that more than one franchisee conducts a Franchised Business in any given region, the boundaries of which will be determined by the Company in its sole discretion. The purposes of the Council(s) include, but are not limited to, exchanging ideas and problem solving methods, advising the Company on expenditures for system-wide marketing, public relations and advertising, and coordinating franchisee efforts. The Franchisee shall pay all assessments levied by the Council, and the Company has the right to enforce this obligation. Amounts and expenditures may vary from time to time due to variations in Council participation and costs as determined by a particular Council and as approved by the Company.

S. **Software Program**. If the Company develops and custom designs any software program and hardware system for conducting accounting, inventory or point-of-sale functions and/or other activities related to the Franchised Business (hereinafter, the "Software Program"), the Franchisee agrees to implement the Software Program into the Franchised Business, and to comply with all specifications and standards prescribed by the Company regarding the Software Program as provided from time to time in the Company's Manuals. At such time as the Company requires the implementation or use of such Software Program, the Franchisee shall only utilize the Software Program as prescribed by the Company. Currently, Franchisor has a Software Program for its customer relationship management software (the "CRM Program"), which Franchisee must use and pay Franchisor it's then-current fee in connection therewith, and requires Franchisee to use a financial dashboard as directed by Franchisor. Franchisee must also execute Franchisor's CRM services agreement ("CRM Services Agreement") in connection with Franchisee's use of the CRM Program. Franchisee shall be required to purchase, lease or license the designated Software Program, to purchase or lease specified computer hardware compatible with the Company's Software Program requirements and contract for ongoing service, maintenance and support for such hardware and Software Program at terms designated by the Company or its suppliers.

6. **Term**. The Term of this Agreement will commence upon the date of this Agreement and will continue for a period of five years, unless terminated prior thereto pursuant to the provisions hereof. The Franchisee may, at the Franchisee's option, reacquire the franchise and related rights granted under this Agreement for up to three additional five-year terms, subject to the following conditions all of which must be satisfied prior to any reacquisition: (a) the Franchisee shall have delivered to the Company written notice of the Franchisee's desire to exercise the Franchisee's option to renew this Agreement at least six months, but no more than 12 months, prior to the expiration of this Agreement; (b) the Franchisee shall have during the entire term of this Agreement substantially complied with all of its provisions and the provisions of any other agreement between the Franchisee and the Company and/or its affiliates; (c) the Company and the Franchisee (and the Franchisee's shareholders or partners or members, if the Franchisee is a corporation or partnership or limited liability company) shall execute the form of franchise agreement and such ancillary agreements as are then customarily used by the Company in the grant of RENUE® franchises (with appropriate modifications to reflect the fact that the agreement relates to the grant of a renewal franchise); (d) the Franchisee shall refurbish or replace the vehicles and equipment of the Franchised Business to be in compliance with the then-current standards and specifications utilized in the granting of RENUE® franchises; and (e) the Franchisee (and the Franchisee's shareholders or partners or members, if the Franchisee is a corporation or partnership or limited liability company) shall execute general releases, in form satisfactory to the Company, of any and all claims against the Company and its current and former affiliates, and their past and present officers, directors,

shareholders, members, employees and agents. The Franchise Agreement and ancillary agreements at the time of renewal may contain materially different terms from those contained in this Agreement including, but not limited to, the payment of the then-current Royalty Fee percentage, the then-current applicable calendar period minimum Royalty Fee for a renewal franchise, and a modified Protected Area. The Franchisee shall pay to the Company a reacquisition fee of $7,450 and reimburse the Company for the attorneys' fees incurred by the Company relating to the reacquisition. If the Franchisee, for any reason, abandons, surrenders, or suffers revocation or non-renewal of all or part of the Franchisee's rights and privileges under this Agreement, then all such rights and privileges shall revert to the Company.

7. Notices; Significant Correspondence; Communications with Company. The Franchisee will deliver to the Company, immediately upon receipt by the Franchisee an exact copy of all (a) notifications or other correspondence relating to any legal proceeding relating in any way to the Franchised Business, and (b) inspection reports or any other notices, warnings or citations from any governmental authority, including any federal, state or local health or safety authority. Within 10 days after the end of each calendar month, the Franchisee will provide the Company with a written summary of all written consumer and employee complaints or claims. The Franchisee will provide all additional information requested by the Company relating to any of these matters. The Franchisee or the Franchisee's manager will respond to all written and oral communications from the Company, including emails and telephone messages, within 24 hours after receipt of same.

8. Termination.

A. Termination by Franchisee.

1. The Franchisee will have the right to terminate this Agreement, as provided herein, if the Company violates any material provision, term or condition of this Agreement, or fails to timely pay any material uncontested obligations due and owing to the Franchisee.

2. The Franchisee will not have the right to terminate this Agreement or to commence any action, lawsuit or proceeding against the Company for breach of this Agreement, injunctive relief, violation of any state, federal or local law (including alleged violations of franchise laws), violation of common law (including allegations of fraud and misrepresentation), rescission, damages, or termination, unless and until: (a) written notice setting forth the alleged breach or violation in detail has been delivered to the Company by the Franchisee; and (b) the Company fails to correct the alleged breach or violation within 30 days after receipt of the written notice. If the Company fails to correct the alleged breach or violation within 30 days after receiving written notice, then the Franchisee will have the right to terminate this Agreement as provided for herein. For the purposes of this Agreement, an alleged breach or violation of this Agreement by the Company will be deemed to be "corrected" if both the Company and the Franchisee agree in writing that the alleged breach or violation has been corrected.

3. If the Company notices arbitration in accordance with this Agreement within 30 days after the date the Company receives written notice of any alleged breach of this Agreement from the Franchisee, then the Franchisee will not have the right to terminate this Agreement until the facts of the alleged breach have been submitted to arbitration, the arbitrators determine that the Company has breached this Agreement, and the Company fails to timely correct the breach as set forth in this Agreement. If the arbitrators determine that the Company has violated or breached this Agreement as alleged by the Franchisee in the written notice given to the Company, then the Company will have 30 days

after the date the Arbitrators issue a written determination on the matter to correct the specified breach or violation of this Agreement. If the Company timely corrects the specified breach or violation of this Agreement, then this Agreement will remain in full force and effect. If the Company does not correct the specified breach or violation of this Agreement, then the Franchisee will have the right to terminate this Agreement by giving the Company written notice that this Agreement is terminated and, in that event, the effective date of termination of this Agreement will be the day the written notice of termination is received by the Company. For the purpose of this Agreement, any controversy or dispute on the issue of whether the Company has timely corrected the specified breach or violation of this Agreement will also be subject to arbitration as provided for herein. The time limitation set forth in this Section within which the Company may demand arbitration of a dispute or controversy relating to the right of the Franchisee to terminate this Agreement for an alleged breach is mandatory.

4. The Franchisee must give the Company written notice of any alleged breach or violation of this Agreement immediately after the Franchisee has knowledge of, believes, determines, is of the opinion, or becomes aware of facts and circumstances reasonably indicating an alleged breach or violation of this Agreement by the Company. If the Franchisee fails to give written notice to the Company as provided for herein of any alleged breach or violation of this Agreement within one year after the date that the Franchisee has knowledge of, believes, determines, is of the opinion that, or becomes aware of facts and circumstances reasonably indicating that the Franchisee may have a claim under any state law, federal law or common law because there has been an alleged breach or violation by the Company, then the alleged breach or violation by the Company will be deemed to be condoned, approved and waived by the Franchisee, the alleged breach or violation by the Company will not be deemed to be a breach or violation of this Agreement by the Company, and the Franchisee will be barred from commencing any action against the Company for that specific alleged breach or violation.

B. **Termination by Company**. In addition to the other provisions of this Agreement allowing termination, the Company may terminate this Agreement, effective upon delivery of notice of termination to the Franchisee without regard to whether the Franchisee executes a termination agreement or signs an acknowledgment of receipt of the notice of termination, in the following circumstances:

1. If the Franchisee becomes insolvent; makes an assignment for the benefit of creditors; files a voluntary petition in bankruptcy; files any pleading seeking any reorganization, liquidation or dissolution under any law; admits or fails to contest the material allegations of any such pleading filed against the Franchisee; is adjudicated a bankrupt; a receiver is appointed for a substantial part of the Franchisee's assets; or the claims of creditors of the Franchisee or the Franchised Business are abated or subject to a moratorium under any law;

2. If the Franchisee fails to pass the training program for franchisees, or if the Franchisee fails to commence operating the Franchised Business within 60 days after the date of this Agreement, of if the Franchisee abandons, surrenders or transfers control of the operation of the Franchised Business without the Company's prior written consent or the Franchisee or the Franchisee's Manager fails to devote his/her full-time efforts to the operation of the Franchised Business;

3. If the Franchisee submits to the Company on two or more separate occasions at any time during any two-year period during the term of this Agreement a

report, financial statement, tax return, schedule or other information or supporting record which understates the Gross Sales of the Franchised Business for any period by more than 2%;

4. If the Franchisee is convicted of or pleads guilty to or no contest to a felony or other crime which substantially impairs the goodwill associated with the Marks or the System or engages in any misconduct which negatively affects the reputation of the Franchised Business or the goodwill associated with the Marks or the System, as determined by the Company;

5. If the Franchisee loses any permit or license which is a prerequisite to the operation of the Franchised Business, or if the Franchisee operates the Franchised Business in a manner that presents a health or safety hazard to customers, employees, or the public;

6. If the Franchisee makes a transfer or assignment of this Agreement, the assets of the Franchised Business, or the Franchisee's ownership interest, which is not authorized as provided in the transferability section of this Agreement;

7. If the Franchisee and/or the Company receives three or more complaints regarding the quality, timeliness or other issues with the products and/or services provided to customers of the Franchisee's Franchised Business within any 12-month period;

8. If the Franchisee has received three or more notices of default during any twelve-month period, whether or not such defaults were cured;

9. If the Franchisee delivers to the Company two or more non-sufficient funds checks within any twelve-month period, whether or not such checks were subsequently paid;

10. If the Franchisee fails to pay any amount owed to the Company or its affiliates or to the Franchisee's suppliers, providers or vendors, when the same is due and payable and does not correct such failure within five days after written notice of such failure to comply is delivered to the Franchisee;

11. If the Franchisee fails to submit reports or financial data which the Company requires under this Agreement, when the same are due or that are complete, and does not correct such failure within 10 days after written notice of such failure to comply is delivered to the Franchisee;

12. If the Franchisee uses equipment, chemicals or supplies not authorized by the Company for use in the Franchised Business or acquires equipment, chemicals or supplies from suppliers not approved or designated by the Company;

13. If the Franchisee fails to offer all products and services required by the Company;

14. If the Franchisee fails to perform any of the terms and conditions in this Agreement not otherwise covered in Section 8.B, paragraphs 1 through 13 above, or in the Manuals, or in other operational memoranda issued by the Company, or use bad faith in carrying out terms of these franchise provisions and does not correct such failure within 30 days after written notice of such failure to comply is delivered to the Franchisee; or

15. If the Franchisee fails to satisfy the Minimum Performance Requirements for any Operations Period as described in Section 3.C above; or

16. If the Franchisee willfully and materially falsifies any report, statement, or other written data furnished to the Company either during the franchise application process or after the Franchisee is awarded a franchise.

Upon the occurrence of any of the above events of default which would allow the Company to terminate this Agreement (which termination the Company may or may not choose to do), the Company may authorize its suppliers to withhold shipment to the Franchisee of the Company's proprietary products and services and approved products and services until such time as the Franchisee has cured the event of default.

C. Cross Default. Any default by the Franchisee of any other agreement between the Company and the Franchisee shall be deemed a default under this Agreement, and any default by the Franchisee of this Agreement shall be deemed a default under any and all other agreements between the Company and the Franchisee. If the nature of such default under any other agreement would have permitted the Company to terminate this Agreement had said default occurred hereunder, the Company shall have the right to terminate this Agreement as if such default has occurred hereunder. For purposes of this Section, an agreement between the Company or an affiliate of the Company and the Franchisee or the Franchisee's partner, shareholder, member, manager, or executive officer or affiliate shall be deemed an agreement between the Company and the Franchisee.

D. Appointment of Manager. Notwithstanding the provisions of Sections 8.B and 8.C above, in the event that the Franchisee does not comply with any provision of this Agreement, the Company may, at its sole option, assign a manager to the Franchised Business on a daily basis, whose function will be to ensure compliance by the Franchisee, the Franchisee's employees and agents with the provisions of this Agreement, including without limitation, adherence to the standards, methods, procedures and specifications of the System and the rights and duties upon termination or expiration of this Agreement. The Franchisee shall pay the Company for the services of such manager at such reasonable rate as may be established by the Company. The Franchisee agrees to defend, indemnify and hold harmless the Company and its agents and employees who may act hereunder.

E. Rights and Duties Upon Termination or Expiration. Upon termination or expiration of this Agreement, all of the Franchisee's rights hereunder shall terminate. The Franchisee shall forthwith discontinue use of the name RENUE®, the other Marks, the System, and all trade names, trademarks, service marks, trade dress, signs, colors, structures, interior and exterior decor, business methods, confidential information, printed goods and forms of advertising indicative of the Franchised Business and return the Manuals and the Software Program to the Company. The Franchisee shall pay all amounts due the Company or its affiliates, cancel the Franchisee's assumed name registration, provide to the Company any RENUE® signs, and not represent that the Franchisee formerly did business under the RENUE® name. The Franchisee shall provide the Company with the names, addresses and telephone numbers of the Franchisee's customers during the preceding three years. The Franchisee shall promptly notify the telephone company and all listing agencies of the termination or expiration of the Franchisee's right to use any telephone number and any regular, classified or other telephone directory listings associated with the Marks and to authorize transfer of same to or at the direction of the Company. The Franchisee acknowledges that as between the Company and the Franchisee, the Company has the sole rights to and interest in all email and Internet addresses, websites, domain names and search engine identifiers, and all

telephone and facsimile numbers and directory listings associated with the Marks, and the Franchisee authorizes the Company, and hereby appoints the Company and any officer of the Company as the Franchisee's attorney-in-fact, to direct the telephone company, Internet service providers, domain name registrars, and all listing agencies to transfer same to the Company or at its direction, should the Franchisee fail or refuse to do so, and the telephone company, Internet service providers, domain name registrars, and all listing agencies may accept such direction or this Agreement as conclusive of the exclusive rights of the Company in such email and Internet addresses, websites, domain names and search engine identifiers, and all telephone and facsimile numbers and directory listings and its authority to direct their transfer. The Franchisee shall furnish to the Company within 30 days after the effective date of the termination or expiration evidence satisfactory to the Company of the Franchisee's compliance with the foregoing obligations. The indemnities and covenants contained in this Agreement will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

F. Option to Purchase Assets. Upon the termination or expiration of this Agreement, the Company shall have a 90-day option to purchase from the Franchisee some or all of the equipment, chemicals, supplies, inventory, advertising materials and any items with the Company's Marks for cash at fair market value, which value shall not include any value associated with the name RENUE®, the other Marks or any associated goodwill. If the Company and the Franchisee do not agree upon the amount of the fair market value, then a business appraiser selected by the Company shall determine the fair market value. The cost of the business appraiser shall be borne equally by the Company and the Franchisee. The Company has an unrestricted right to assign this option to a third party.

G. Covenant Not to Compete.

1. The Franchisee and the owners acknowledge that the Franchisee, its partners or officers and employees will receive specialized training, marketing and advertising plans, business strategies, confidential information, and trade secrets from the Company pertaining to the System and the operation of the Franchised Business. In consideration for this information, the Franchisee and the owners will comply in all respects with the provisions of this Section and any other Sections of this Agreement pertaining to non-competition and unfair business practices. The Company has advised the Franchisee that this is a material provision of this Agreement and that the Company will not sell a franchise to any person or entity that owns or intends to own, operate or be involved in any Competitive Business; however, the Company may, under certain circumstances, exclude from the coverage of this Section existing operational business(es) owned and operated by the Franchisee on the date of this Agreement, and the Franchisee may, with the written consent of the Company, continue to own and operate such businesses during the term of this Agreement and thereafter. The Franchisee warrants and represents that it does not own, operate or have any involvement with or interest in any business that is competitive to a RENUE® Franchised Business.

2. The Franchisee and its owners will not, for a period of three years after the termination or expiration of this Agreement on their own account or as an employee, principal, agent, independent contractor, consultant, affiliate, licensee, partner, officer, director or owner of any other person, firm, entity, partnership or corporation, own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in or assist any person or entity engaged in any Competitive Business, which is located (a) within 10 miles of the Franchisee's former Protected Area; or (b) within any other protected area granted by the Company or an affiliate to another franchisee or licensee; or (c) within the territory served by any Company or affiliate-owned RENUE® business. The Franchisee and the owners expressly

agree that the time and geographical limitations set forth in this provision are reasonable and necessary to protect the Company and its other franchisee and licensee if this Agreement expires or is terminated by either party for any reason, and that this covenant not to compete is necessary to give the Company the opportunity to resell and/or develop a new RENUE® business at or in the area near the Protected Area. In addition, for a period of three years following the expiration or termination of this Agreement, the Franchisee shall not solicit or accept business from former customers of the Franchised Business. The three-year period referred to above shall be tolled during any period of the Franchisee's noncompliance with the terms of this Agreement. In the event the duration, scope and/or geographic area set forth in this paragraph and Agreement are held to be unreasonable and therefore unenforceable by any court of competent jurisdiction, then the duration, scope and/or geographic area of the foregoing restrictions and agreements shall remain in full force and effect as to such maximum duration, scope and/or geographic area as the court shall allow.

H. Confidential Information. The Franchisee acknowledges that if the Franchisee discloses any aspect of the System or the Manuals or any other aspect of the RENUE® System that it could substantially harm the Company, the Franchisee and other RENUE® franchisees, and that such information is proprietary and confidential. The Franchisee agrees to secure, keep secret, and lock away the Manuals and any other confidential materials. The Franchisee agrees that the Franchisee will maintain the absolute confidentiality of all, and not disclose any, such information during and after the term of this Agreement, and that the Franchisee will not disclose or use any such information in any other business anywhere in the world or in any manner not specifically authorized or approved in writing by the Company. The Franchisee agrees to require all of the Franchisee's personnel to sign a confidentiality and non-competition agreement in the form prescribed by the Company. The Franchisee acknowledges that the confidentiality provisions of this Agreement and the agreements signed by the Franchisee's personnel contain continuing obligations that will not expire after the termination or expiration of this Agreement or the cessation of such personnel's employment with the Franchisee.

I. Continuing Obligations. All obligations of the Company and the 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 the expiration or termination of this Agreement and until they are satisfied in full or by their nature expire.

9. Transferability of Interest.

A. Transfer by Company. The Company shall have the right, in its sole discretion, to transfer or assign this Agreement and all or any part of its rights or obligations to any person or legal entity, and any designated assignee of the Company shall become solely responsible for all obligations of the Company under this Agreement from the date of assignment. The Franchisee shall execute such documents consenting to such a transfer as the Company shall request.

B. Transfer by Franchisee. The Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to the Franchisee, and that the Company has granted this franchise in reliance on the Franchisee's business skill, financial capacity, and personal character. Accordingly, neither the Franchisee nor any immediate or remote successor to any part of the Franchisee's interest in this Agreement, nor any individual, partnership, corporation, limited liability company or other legal entity which directly or indirectly owns any interest in the Franchisee or in the Franchised

Business shall sell, assign, transfer, convey, pledge, encumber, merge, or give (collectively "transfer") away any direct or indirect interest in this Agreement, in the Franchisee, or in all or substantially all of the assets of the Franchised Business without the prior written consent, as set forth below, of the Company. Any purported assignment or transfer not having the written consent of the Company required by this Section shall be null and void and shall constitute a material breach of this Agreement, for which the Company may immediately terminate without opportunity to cure pursuant to the terms of this Agreement. The Company shall not unreasonably withhold its written approval of an assignment or transfer, provided: (1) the Franchisee has properly offered the Company the opportunity to exercise the right of first refusal as provided in the right of first refusal section of this Agreement, and the Company declined to exercise it; (2) the assignee or transferee has sufficient business experience, aptitude, financial resources, meets the Company's then applicable standards for franchisees; is of good moral character; will comply with the Company's standard training requirements; has received the required disclosure documents in accordance with law; and executes the then-current form of franchise agreement and other agreements (which may contain materially different terms than those set forth herein, including a modified Protected Area) being used by the Company; (3) upon the Company's request, the assignee or transferee agrees in a form approved by the Company to be personally bound jointly and severally by all the provisions of this Agreement and assume and guarantee all of the Franchisee's obligations hereunder and all other agreements between the Franchisee and the Company or its affiliates to the same extent as if they had been original parties to the original agreements; (4) upon the Company's request, the Franchisee shall enter into an agreement with the Company, in a form satisfactory to the Company, agreeing to comply with the post-term obligations of this Agreement and guaranteeing full payment and performance of the obligations of the Franchisee's transferee; (5) all of the Franchisee's monetary and other obligations owed to the Company and its affiliates are fully paid and the Franchisee is not otherwise in default under this Agreement; (6) the assets of the Franchised Business must be refurbished, remodeled or replaced and be in a condition acceptable to the Company in order to be in compliance with the then-current standards and specification utilized in the granting of RENUE® franchises; (7) the Franchisee pays the Company a transfer fee of 50% of the then-current Initial Franchise Fee, and reimburses the Company for the attorneys' fees incurred by the Company relating to the transfer; and (8) the Franchisee (and each of the Franchisee's shareholders or partners or members, if the Franchisee is a corporation or a partnership or limited liability company) shall execute general releases of all claims against the Company, its current and former affiliates, and their past and present officers, directors, shareholders, members, employees and agents. The Company may expand upon, and provide more details related to, the conditions for transfer and Company's consent as described in this Section 9.B, and may do so in the Manuals or otherwise in writing.

C. <u>Assignment to Partnership, Corporation or Limited Liability Company</u>. If the Franchisee signed this Agreement as an individual and is in full compliance with this Agreement, the Company shall not unreasonably withhold its consent to a transfer of this Agreement and the assets of the Franchised Business to a partnership or corporation or limited liability company, provided: (1) the partnership or corporation or limited liability company name does not include the word "RENUE" and its activities are confined exclusively to operating the Franchisee's Franchised Business; (2) the Franchisee owns and controls all of the general partnership interests, stock, membership interests, or the equity and voting power, and provided that, in a form approved by the Company, the partnership or corporation or limited liability company assumes all of the Franchisee's obligations hereunder and the partners or shareholders or members agree to be personally bound jointly and severally by all the provisions of this Agreement and assume and guarantee all of the Franchisee's obligations hereunder and all other agreements to the same extent as if they had been parties to the original agreements; (3) any subsequent transfer or issuance of partnerships interests or of

shares of the corporation or membership interests in the limited liability company shall be subject to the Company's consent and agreement; (4) the partnership's Partnership Agreement and each partnership interest certificate, or the corporation's Articles of Incorporation and Bylaws and each stock certificate, or the limited liability company's Articles of Organization and Operating Agreement and each membership certificate shall clearly indicate that any transfer of partnership interests, shares of stock or membership interests is restricted and may be transferred subject to the Company's consent and agreement only in accordance with the terms of this Agreement; and (5) the Franchisee shall pay to the Company all legal expenses and other charges incurred by the Company in connection with such transfer.

D. Right of First Refusal. If the Franchisee shall at any time determine to sell the Franchisee's rights under this Agreement, or the assets of the Franchised Business, or the Franchisee's ownership interest, in whole or part, the Franchisee 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, for a period of 30 days after the date of delivery of such offer to the Company, have the right, exercisable by written notice to the Franchisee, to purchase the interest for the price and on the terms and conditions contained in the offer, provided that any brokers', agents', or finders' fees shall be deducted from the purchase price and the Company or its designee may substitute cash for any form of payment proposed in such offer. If the Company or its designee does not exercise this right of first refusal, the Franchisee may, subject to the same conditions for transfers contained in this Agreement, complete the sale to such purchaser on the terms of the bona fide offer. If the sale to such purchaser is not completed within 120 days after delivery of such offer to the Company, or if there is a material change in the terms of the sale, the Company or its designee shall again have the right of first refusal herein provided.

E. Death or Disability. Upon the death or permanent disability of the Franchisee (or the Franchisee's managing shareholder, partner or member, if the Franchisee is a corporation, partnership or limited liability company), the executor, administrator, conservator, or other personal representative of such person shall transfer his/her interest to the heirs or beneficiaries of such person or to a third party approved by the Company within a period of 180 days, so long as arrangements satisfactory to the Company are made for the continued active management of the Franchised Business. Such transfers, including without limitation, transfers by devise or inheritance or trust provisions, shall be subject to the same conditions for transfers contained in this Agreement. The Franchisee shall be deemed to have a "permanent disability" if the Franchisee's ability to operate or oversee the operation of the Franchised Business on a regular basis is for any reason curtailed for a continuous period of six months. In addition to the foregoing, in order to prevent any interruption of the Franchised Business and to protect the goodwill associated with the Marks and the System, if the Franchisee dies or becomes disabled so that the Franchisee is not able to operate or oversee the operation of the Franchised Business on a regular basis, the Company may at its option operate the Franchised Business on the Franchisee's behalf for so long as the Company deems necessary under the circumstances. All revenues received from the operation of the Franchised Business during such period of operation by the Company shall be kept in a separate account by the Company and the expenses of the Franchised Business including, without limitation, reasonable compensation and expenses of the Company and its agents and employees in operating the Franchised Business, shall be charged to such account. The Franchisee agrees to defend, indemnify and hold harmless the Company and its agents and employees who may act hereunder.

10. ENFORCEMENT.

A. Injunctions. In any court of competent jurisdiction: (1) the Company shall have the right to enforce by judicial process any rights it may have pursuant to covenant not to compete provisions of this Agreement; and (2) the Company shall be entitled without bond to the entry of temporary, preliminary, and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement or any other related agreement relating to the Franchisee's use of the Marks, the Franchisee's obligations upon termination or expiration of this Agreement and transfers or attempted transfers of the franchise and the Franchisee's ownership interest. If the Company secures any such injunction or order of specific performance, the Franchisee agrees to pay to the Company an amount equal to the aggregate of its costs of obtaining such relief, including without limitation, reasonable attorneys' fees, costs, and expenses as provided in this section, and any damages incurred by the Company as a result of the breach of any such provision.

B. Arbitration.

1. Except insofar as the Company, as provided in the paragraph above of this Section, elects to enforce this Agreement or any other related agreement, all controversies, disputes, or claims arising between the Company, its affiliates, and their respective officers, directors, agents, shareholders, members, employees and attorneys (in their representative capacity) and the Franchisee (the Franchisee's owners, guarantors, affiliates and employees, if applicable) arising out of or related to: (a) this Agreement or any provision thereof or any related agreement; (b) the relationship of the parties hereto; (c) the circumstances under which this Agreement was executed by the Franchisee; (d) the validity of this Agreement or any related agreement, or any provision thereof; or (e) any specification, standard, or operating procedure relating to the establishment or operation of the franchise shall be submitted for arbitration to be administered by the Chicago, Illinois office of the American Arbitration Association on demand of either party. Such arbitration proceedings shall be conducted in the city where the Company's headquarters are located when the proceedings are conducted and, except as otherwise provided in this Agreement, will be heard by three arbitrators in accordance with the then-current rules of the American Arbitration Association including, but not limited to, the American Arbitration Association's Commercial Arbitration Rules and its Optional Appellate Arbitration Rules, or such successor rules then in effect. Each party shall select one arbitrator, and the two so designated shall select a third arbitrator. If either party shall fail to designate an arbitrator within seven days after arbitration is requested, or if the two arbitrators shall fail to select a third arbitrator within 14 days after arbitration is requested, then an arbitrator shall be selected by the American Arbitration Association upon application of either party.

2. The claimant shall send a notice of a demand for arbitration in writing to the other party to the dispute. The arbitration demand shall state with particularity the nature and grounds for the claim, dispute or controversy and the nature of relief sought. The claimant shall make the demand for arbitration promptly after the claim, dispute or other matter in question has arisen but, in any event, before the applicable statute of limitations would bar the commencement of legal or equitable proceedings based on the claim, dispute or controversy in question.

3. Except as limited by this Agreement, the arbitrators shall have the right to award or include in the award any relief which they deem proper in the circumstances, including, without limitation, money damages (with interest on unpaid amounts from date due), specific performance, injunctive relief, attorneys' fees and costs in accordance with the terms of this Agreement, provided that the arbitrators will not have the right to declare any Mark generic

or otherwise invalid or to award exemplary or punitive damages. The award and decision of the majority of the arbitrators shall be conclusive and binding upon all parties hereto and judgment upon the award may be entered in any court of competent jurisdiction, and each party hereto waives any right to contest the validity or enforceability of such award.

4. The parties further agree to be bound by the provisions of any applicable limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier. The parties further agree that in connection with any such arbitration proceeding, each shall file any 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 within 30 days of the date of the filing of the claim to which it relates. Any such claim which is not submitted or filed as described above will be forever barred. This provision shall continue in full force and effect subsequent to and notwithstanding expiration or termination of this Agreement.

5. The Company and the Franchisee agree that arbitration shall be conducted on an individual, not class-wide basis, and that an arbitration proceeding between the Company and its affiliates and their respective shareholders, members, officers, directors, agents and employees and the Franchisee (and/or the Franchisee's owners, guarantors, affiliates and employees, if applicable) may not be consolidated with any other arbitration proceeding between the Company and its affiliates and any other person, nor shall the arbitrator or court be empowered to order such consolidation. The Franchisee (and the Franchisee's owners, guarantors, affiliates and employees, if applicable) hereby waive any and all rights to proceed on a consolidated or class action basis.

6. The Company and the Franchisee acknowledge and agree that this Section 10.B shall survive the termination or expiration of this Agreement

C. Costs and Attorneys' Fees. If a claim for amounts owed by the Franchisee to the Company or its affiliates is asserted in any legal proceeding before a court of competent jurisdiction or an arbitrator, or if the Company or the Franchisee is required to enforce this Agreement in a judicial or arbitration proceeding, the party prevailing in such proceeding shall be entitled to recover from the other its costs and expenses, including without limitation, arbitration fees, court costs, fees for in-house or outside attorneys and paralegals, management preparation time, witness fees, collection agency fees, accounting fees and arbitrator fees, whether incurred prior to, in preparation for or in contemplation of the filing of such proceeding. If the Company is required to engage a collection agency or legal counsel in connection with any failure by the Franchisee to pay when due amounts due the Company, or to submit when due any reports, information, or supporting records, or in connection with any failure to otherwise comply with this Agreement, the Franchisee shall reimburse the Company for any of the above listed costs and expenses incurred by it.

D. WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL. THE COMPANY AND THE FRANCHISEE HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY (I) ACTUAL DAMAGES SUSTAINED BY IT AND (II) TRADEMARK LAW TREBLE DAMAGES. THE COMPANY AND THE FRANCHISEE IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM.

E. Limitation of Claims. Except for claims arising from underreporting of Gross Sales by the Franchisee or nonpayment of amounts owed by the Franchisee to the Company or its affiliates pursuant to this Agreement, any and all claims arising out of or relating to this Agreement or the relationship of the Company and the Franchisee in connection with the Franchisee's operation of the Franchised Business shall be barred unless an action or proceeding is commenced within one year from the date of the occurrence of the facts giving rise to such claims.

F. Governing Law/Consent to Jurisdiction. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §1051 et seq.) and the Federal Arbitration Act (9 U.S.C. §1 et seq.), this Agreement and the relationship between the Company and the Franchisee will be governed by the laws of the state in which the Protected Area is located. The provisions of this Agreement which conflict with or are inconsistent with applicable governing law will be superseded and/or modified by such applicable law only to the extent such provisions are inconsistent. All other provisions of this Agreement will be enforceable as originally made and entered into upon the execution of this Agreement by the Franchisee and the Company. The parties hereto hereby consent to personal jurisdiction in the state and federal courts in Illinois (or such other court of competent jurisdiction as may be chosen by the Company) for the purposes of any suit, proceeding or hearing relating to this Agreement.

11. Independent Contractor.

A. Independent Contractor. The Company and the Franchisee are each independent contractors and, as a consequence, there is no employer-employee or principal-agent relationship between the Company and the Franchisee. The Franchisee will not have the right to and will not make any agreements, representations or warranties in the name of or on behalf of the Company or represent that their relationship is other than that of franchisor and franchisee. Neither the Company nor the Franchisee will be obligated by or have any liability to the other under any agreements or representations made by the other to any third parties.

B. Identification of Business. The Franchisee shall conspicuously identify itself at the Franchised Business and on the vehicles of the Franchised Business and in all dealings with suppliers and customers, as the owner of the Franchised Business. No representations shall be made or acts taken by the Franchisee which could establish any apparent relationship of agency, joint venture, partnership or employment, and the Company shall not be bound in any manner whatsoever by any agreements, warranties or representations made by the Franchisee to any other person nor with respect to any other action of the Franchisee.

C. Taxes. The Company shall have no liability for any sales, use, excise, income, employment, property or other taxes levied upon the Franchised Business or its assets or in connection with the sales made or business conducted by the Franchised Business. All Royalty Fees and other charges referred to in this Agreement are quoted exclusive of any value added, sales, income, or other tax chargeable thereon, and the Franchisee shall pay any such tax, even if the taxing authority imposes the tax on the Company based on the Franchisee's presence or operations in a particular jurisdiction. The Company shall not be obligated or liable for any injury or death of any person or damage to any property caused by the Franchisee's action, failure to act, negligence or willful conduct, nor for any liability of the Franchisee.

D. Indemnification. The Franchisee shall defend, indemnify and hold the Company and its affiliates and their shareholders, members, managers, directors, officers,

employees and agents harmless from all fines, taxes, suits, proceedings, claims, demands or actions of any nature or kind whatsoever, directly or indirectly arising out of, or in any manner whatsoever associated, or related to the activities conducted under this Agreement or in connection with the Franchised Business, and/or the Franchisee's or the Franchisee's employees' actions or inaction, against any and all damages, costs, expenses and fees (including, without limitation, attorneys', accountants', and experts' fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses) incurred by or on behalf of any of the foregoing in the investigation or defense of any and all such fines, taxes, suits, proceedings, claims, demands or actions. The Company shall have the option to defend any such claim against it. This indemnification obligation shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

12. General Provisions.

A. Successors; Notice; Severability. This Agreement shall be binding upon the parties and their respective executors, administrators, heirs, assigns and successors in interest. All notices, requests, demands, and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given when tendered for delivery if delivered by hand, or one day after the date of deposit if deposited with a commercial delivery service which guarantees next day delivery, or two days after deposit if mailed certified mail, return receipt requested, postage prepaid, addressed to the appropriate party at their respective addresses or at such other place as the party entitled to notice may designate by notice given in the same manner to the other. Notices or other communications which do not require confirmation of receipt may be made via email. Notices which require written confirmation of receipt may be made by delivery to the addressee by a recognized next day delivery service (such as Federal Express, Airborne Express or UPS) which requires a written confirmation of delivery to the addressee. Any notice delivered in the manner specified herein will be deemed delivered and received, regardless of whether the recipient refuses or fails to sign for the notice, if addressed to the recipient at the last designated or last known address of the recipient, and will be deemed effective upon written confirmation of next day delivery to the recipient or two days after being mailed, whichever is applicable. Time is of the essence of this Agreement and all provisions shall be so interpreted. If any applicable law or rule requires a greater prior notice of the termination of or election not to renew this Agreement, or the taking of some other action than is required under this Agreement, the prior notice or other requirements required by this law or rule shall be substituted for the requirements of this Agreement. The obligations and authorizations hereunder shall be joint and several. The invalidity of any provision of this Agreement shall not impair the validity of any other provision. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable, that provision will be deemed severable and this Agreement may be enforced with that provision severed or as modified by the court. In the case of any questions of ambiguity relating to any provisions contained herein, there shall not be any construction against the drafter of the document. The preamble and recitals set forth above are hereby incorporated into and made a contractual part of the covenants of this Agreement. The exhibits referred to in this Agreement are attached hereto, made a part hereof, and are incorporated herein by reference.

B. Waiver; Other Agreements. The headings and captions in this Agreement are inserted for convenience only and shall not constitute a part hereof or affect the construction or interpretation of any provision of this Agreement. Whenever required by context, the masculine pronouns shall include the feminine and neuter genders and the singular shall include the plural and vice versa. No waiver of or failure to enforce any of the provisions, terms, conditions, or obligations herein by any party shall be construed as a waiver of any subsequent

breach of such provision, term, condition, or obligation of this Agreement or of any other provision, term, condition, or obligation hereunder, whether the same or different nature. Subsequent acceptance by the Company of the payments due it hereunder shall not be deemed to be a waiver by the Company of a preceding breach by the Franchisee. If there develops a custom or practice which is at variance with the terms of this Agreement, the Company will not be deemed to have waived its right to demand exact compliance with any of the terms of this Agreement at a later time. The Franchisee acknowledges that the Company has, and will in the future enter into license or franchise agreements with third parties pursuant to which such third parties are licensed to use the Marks and otherwise receive the benefits of the System (the "Other Agreements"). The Franchisee acknowledges that the provisions of the Other Agreements have or may vary substantially from those contained in this Agreement. No action taken by the Company with respect to any one or more of the Other Agreements or any party thereto shall create a course of conduct which may be relied upon or asserted by the Franchisee under this Agreement as a modification to this Agreement or otherwise. The Company shall not bear any liability whatsoever to the Franchisee under this Agreement by reason of the Company's failure to waive any of the provisions of this Agreement, or to give a consent or approval hereunder even though the Company may have waived such provisions or similar provisions or given similar consents or approvals under any one or more of the Other Agreements. The rights of the Company and the Franchisee hereunder are cumulative and no exercise or enforcement by the Company or the Franchisee of any right or remedy hereunder shall preclude the exercise or enforcement by the Company or the Franchisee of any other right or remedy hereunder or which the Company or the Franchisee are entitled by law to enforce. No implied covenant of good faith and fair dealing shall be used to alter the express terms of this Agreement. The parties agree to do or cause to be done all acts or things necessary to implement and carry into effect this Agreement to its full extent.

C. Franchisee's Spouse. If by virtue of the community property laws of any state, the Franchisee's spouse is deemed to have any property interest in this Agreement, the Franchisee's ownership interest, or the Franchised Business, the Company will have the right to require the Franchisee's spouse to consent and join in all of the terms and conditions of this Agreement, any related agreements and any amendments thereto.

D. Franchisee's Owners. If the Franchisee is an entity, then the obligations of this Agreement including, but not limited to, the post-term covenant not to compete and the confidentiality provisions, will be applicable to the owners of the entity that is the Franchisee.

E. Entire Agreement. This Agreement contains the sole and only agreement between the parties as to the matters, privileges, rights, titles, interests, duties, obligations, and performances herein set forth; and all prior negotiations, verbal or written, being integrated herein and hereby, and the same shall only be changed, altered, modified, amended, supplemented or novated by a writing signed by all the parties hereto. Notwithstanding the foregoing, nothing in this Agreement or in any related agreement is intended to disclaim any representations made by the Company in the Franchise Disclosure Document provided to the Franchisee. This Agreement may be executed in more than one counterpart, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

13. Acknowledgments. The Franchisee acknowledges that it received a copy of this Agreement with all material blanks fully completed at least seven days prior to the date the Franchisee executed this Agreement. The Franchisee further acknowledges that it received a copy of the Company's Franchise Disclosure Document at least 14 days prior to the date on which this Agreement was executed. The Franchisee acknowledges that the Franchisee has read

and understands the Franchise Disclosure Document and this Agreement. The Franchisee acknowledges that the Franchisee has had the time and opportunity to obtain the advice and assistance of independent attorneys, accountants and other professional advisors and that all of the Franchisee's questions regarding the Franchised Business have been answered to the Franchisee's satisfaction prior to the Franchisee's signing of this Agreement. The Franchisee acknowledges that the Franchisee understands and accepts the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain the Company's high standards of quality and service and the uniformity of those standards at all RENUE® Franchised Businesses in order to protect and preserve the goodwill of the Marks. The Franchisee acknowledges that the Franchisee has conducted an independent investigation of the business contemplated by this Agreement and recognized that, like any other business, the nature of the business conducted by RENUE® franchises may evolve and change over time, that an investment in a RENUE® franchise involves business risks and that the success of the venture is largely dependent upon the Franchisee's business abilities and efforts. The Franchisee acknowledges that neither the Company nor any of its agents has made any oral, written or visual representations or projections of actual or potential sales, earnings, income, gross or net profits or success of the business venture contemplated by this Agreement. The Franchisee acknowledges that the Franchisee has not received any representations about the franchise by the Company, or its officers, directors, managers, members, employees or agents, that are contrary to the statements made in the Company's franchise disclosure document or to the terms herein. The Franchisee acknowledges that in all of the Franchisee's dealings with the Company, the officers, directors, managers, members, employees and agents of the Company act only in a representative capacity, not in an individual capacity. The Franchisee further acknowledges that this Agreement and all business dealings between the Franchisee and such persons as a result of this Agreement are solely between the Franchisee and the Company. The Franchisee acknowledges and agrees that the officers, directors, employees and agents of the Company act only in a representative capacity and not in an individual capacity, and that no other persons and/or entities, other than the Company, has or will have any duties or obligations to the Franchisee under this Agreement. The Franchisee acknowledges that the Company reserves the right, without accountability to the Franchisee, to receive and retain commissions, rebates, allowances and other similar amounts received by the Company from any supplier who has been approved by the Company from time to time in connection with the supply of goods, fixtures, furnishings, equipment, chemicals, signs, supplies, and other products or services for the Franchised Business. The Franchisee acknowledges that the covenants not to compete set forth in this Agreement are fair, reasonable and will not impose any undue hardship on the Franchisee, since the Franchisee has other considerable skills, experience and education which afford the Franchisee the opportunity to derive income from other endeavors. The Franchisee affirms that all information set forth in any and all applications, financial statements and submissions to the Company is true, complete and accurate in all respects, with the Franchisee expressly acknowledging that the Company is relying upon the truthfulness, completeness and accuracy of such information. The Franchisee acknowledges that the Company has the right to disclose in its Franchise Disclosure Document as required by law, and in other documents and places as determined by the Company, any information relating to the Franchised Business, including the Franchisee's name, address and telephone number(s), revenues, expenses, results of operation and/or other information. Any such disclosure by the Company will be for reasonable business purposes. Each party to this Agreement states that it has no legal claims against the Company or any of its affiliates and releases the Company and its affiliates and their respective officers, directors, managers, members, agents and employees from any damage, expense, claim or actions of the past.

14. State Modifications. If the laws of any state listed below are applicable to this Agreement as provided for in Section 10.F of this Agreement or the laws of any such state are otherwise applicable, then the designated provisions of this Agreement will be amended and revised as follows:

A. California. If this Agreement is governed by the laws of the State of California, then: (1) the covenant not to compete upon termination or expiration of this Agreement contained in this Agreement may be unenforceable, except in certain circumstances provided by law; and (2) provisions of this Agreement giving the Company the right to terminate in the event of the Franchisee's bankruptcy may not be enforceable under federal bankruptcy laws (11 U.S.C. §. 101, et seq.).

B. Illinois. See separate Illinois-specific addendum attached as an Exhibit to the Franchise Disclosure Document.

C. Maryland. If the Franchisee is a resident of the State of Maryland or the Franchised Business is operated in a Protected Area that is located in or includes Maryland, then in accordance with Section 10.F of this Agreement and the laws of the State of Maryland, this Agreement is governed by the laws of the State of Maryland and is hereby revised and amended as follows: (1) the provisions of this Agreement requiring jurisdiction and venue of lawsuits in the State of Illinois will be deleted from this Agreement, and the Franchisee will have the right to commence litigation, lawsuits and other court proceedings alleging claims arising under the Maryland Franchise Registration and Disclosure Law ("Maryland Law") or to enforce arbitration decisions in the State of Maryland; (2) the acknowledgments made by the Franchisee in this Agreement will not be construed to act as a release, estoppel or waiver of the Franchisee's rights under the Maryland Law, and the release required to be signed upon renewal, sale, or assignment/transfer will not apply to any liability under the Maryland Law; (3) any limitation on the period of time during which claims under the Maryland Law must be brought will not act to reduce the three-year statute of limitations afforded to the Franchisee for bringing a claim arising under the Maryland Law; and (4) provisions of this Agreement giving the Company the right to terminate in the event of the Franchisee's bankruptcy may not be enforceable under federal bankruptcy laws (11 U.S.C. §101, et seq.).

D. Minnesota. If this Agreement is governed by the laws of the State of Minnesota, then: (1) except in certain circumstances specified by Minnesota law, the Company must give the Franchisee at least 180 days prior written notice of nonrenewal of the Franchise; (2) except in certain circumstances provided by Minnesota law, if the Company gives the Franchisee written notice that the Franchisee has breached this Agreement, such written notice will be given to the Franchisee at least 90 days prior to the date this Agreement is terminated by the Company, and the Franchisee will have 60 days after such written notice within which to correct the breach specified in the written notice; (3) notwithstanding any provisions of this Agreement to the contrary, a court of competent jurisdiction will determine whether the Company will be required to post a bond or other security, and the amount of such bond or other security, in any injunctive proceeding commenced by the Company against the Franchisee or the Owners; and (4) notwithstanding any provisions of this Agreement to the contrary, the Franchisee will have up to three years after the cause of action accrues to bring an action against the Company pursuant to Minn. Stat. §80C.17.

E. New York. If this Agreement is governed by the laws of the State of New York, then: (1) all rights enjoyed by the Franchisee and any cause of action arising in its favor from the laws of the State of New York and the regulations issued thereunder will remain in force,

it being the intent of this provision that the nonwaiver requirements of General Business Law §687.4 and §687.5 be satisfied; and (2) modifications to the Manuals by the Company will not unreasonably increase the Franchisee's obligations or place an excessive economic burden on the Franchisee's operations.

F. **North Dakota**. If this Agreement is governed by the laws of the State of North Dakota, then: (1) the covenant not to compete upon termination or expiration of this Agreement may be unenforceable, except in certain circumstances provided by law; (2) arbitration hearings will be conducted in Fargo, North Dakota or at a mutually agreed upon location; (3) the consent by the Franchisee to jurisdiction and venue in the State of Illinois contained in this Agreement will be inapplicable to the Franchisee; and (4) any provisions of this Agreement which limit the statute of limitations period for claims under the North Dakota Franchise Investment Law ("North Dakota Law") or the parties' rights or remedies under the North Dakota Law, such as the right to recover exemplary or punitive damages or to a jury trial, will not be enforceable.

G. **Rhode Island**. If this Agreement is governed by the laws of the State of Rhode Island, then any provision of this Agreement restricting jurisdiction or venue to a forum outside the State of Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

H. **South Dakota**. If this Agreement is governed by the laws of the State of South Dakota, then: (1) the covenant not to compete upon termination or expiration of this Agreement may be unenforceable, except in certain circumstances provided by law; (2) any provision of this Agreement which designates jurisdiction or venue outside of the State of South Dakota or requires the Franchisee to agree to jurisdiction or venue in a forum outside of the State of South Dakota is void with respect to any cause of action which is otherwise enforceable in the State of South Dakota; (3) arbitration hearings will be conducted in Sioux Falls, South Dakota, or at a mutually agreed upon location; and (4) provisions of this Agreement which require that actions be commenced within one year and that limit the parties' rights to recover punitive, exemplary, incidental, indirect, special or consequential damages may not be enforceable under South Dakota law.

I. **Washington**. If this Agreement is governed by the laws of the State of Washington, then: (1) In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail; (2) RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise; (3) 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) A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable; (5) Transfer fees are collectable to the extent that they reflect the

franchisor's reasonable estimated or actual costs in effecting a transfer; (6) Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

J. **Wisconsin**. If this Agreement is governed by the laws of the State of Wisconsin, then the provisions of the Wisconsin Fair Dealership Law, Wis. Stat. Chapter 135, will supersede any conflicting terms of this Agreement.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on the date first above written.

RENUE SYSTEMS DEVELOPMENT CORP., INC.	**FRANCHISEE** _____	**FRANCHISEE** _____
By:_____	By:_____	By:_____
Print Name:_____	Print Name:_____	Print Name:_____
Title:_____	Title:_____	Title:_____

Each of the undersigned owners of the Franchisee hereby confirms that the ownership interests set forth below for each owner is true and correct, and hereby agrees to be bound by the terms and conditions of this Agreement, which in no event will limit any of the obligations undertaken by the owners in any other capacity or under any other agreement or guaranty.

In the Presence of:	**Names of Owners**	**Percentage of Ownership**
_____	_____	_____%
_____	_____	_____%
_____	_____	_____%
_____	_____	_____%
		100%

RENUE®

EXHIBIT A

PROTECTED AREA

RENUE FRANCHISE AGREEMENT
DATED: _____
BETWEEN THE UNDERSIGNED PARTIES

1. Protected Area: The Protected Area is the geographical area described as follows:

_____

_____

_____

_____

_____.

The centers of the respective streets (freeways, expressways, turnpikes, political boundaries) and other dividers shall be considered the boundaries. If political boundaries are used to describe the area, the political limits are those represented on the map provided by the Franchisee for this Agreement. Changes of political limits will have no effect on the boundaries as set forth in this description or on the referenced map.

RENUE SYSTEMS DEVELOPMENT CORP., INC.	**FRANCHISEE** _____	**FRANCHISEE** _____
By:_____	By:_____	By:_____
Print Name:_____	Print Name:_____	Print Name:_____
Title:_____	Title:_____	Title:_____

RENUE®

EXHIBIT B

EQUIPMENT, CHEMICALS AND SUPPLIES PACKAGE

RENUE® FRANCHISE AGREEMENT
DATED: _____
BETWEEN THE UNDERSIGNED PARTIES

Equipment, Chemicals and Supplies

Two 500psi heated hot water extraction machines with hoses and wands
One LGR Dehumidifier
One Victory Electrostatic Sprayer
Two Air Movers/Blowers
One Axial Fan
One Oreck Machine
One Port O Scrub – Tornado or Multi-Wash
One Water Claw
One Spotting Machine
One Hydro-Sensor
One Hand Tool used for Drapes and Stairs
One Castex Upholstery Tool
One Freedom Upholstery Tool 4”
Extech DT300 Laser Meter
One Inspection Light
Two Fiberscopes
One Hand Gun Sprayer
One Hand Gun Spray Attachment (Articulating Brass Arm)
Two PTAC Drip Pans
One Respirator
One Set of Respirator Cartridges
One Thermo Fogger
One Vacuum Gauge
Two DeWalt Sprayers
One Stainless Steel 2-Gallon Tank Sprayer
One 2-Quart Handheld Viton Sprayer
One Spray Master Sprayer
Plastic Tabs & Styrofoam Blocks Plastic
Styrene Jars & Lids
Two Wet Floor Signs
One Box of Latex Gloves
One Bag of Booties
Two 5-Gallon Pails – Empty
One Box of Dust Masks
Two Measuring Cups
Two Shark Gum Getters
One Pair of Googles
Two Faucet to Hose Adapter Rings & Hoses
One Vacuum Connector
One Injectimate

One Immersion Heater
One Iron
One Tool Kit
One Impact Driver
Bits
Two 50’ 10-Gauge Extension Cords
Two Tie-Downs for Machines
Technical Procedures Manual
Sales Procedures Manual
SDS Flash Drive
500 Business Cards
100 Door Key Cards
50 Hotel Service Map Brochures
50 Folders
50 Pens
25 “Time to Renue” Magnets
1 Set of Proposal Templates
Shirts per person (Polo Shirts or Dri-Tees)

One Repair Kit (Tools)

a.) one pair carpet scissors (stainless)
b.) two carpet knives
c.) one box of knife blades (#.017)
d.) one bottle 3-in-1 oil
e.) one adhesive remover
f.) one hand vac
g.) one box of Band-Aids
h.) one carpet roller
i.) one scraper
j.) one wire brush
k.) one stripper brush
l.) one carrying case
m.) one patented tool
n.) one roll carpet tape (seam)
o.) one bottle carpet seam sealer
p.) one flathead screwdriver
q.) one Phillips head screwdriver

One Cleaning Kit (Spotting)

a.) one stain guide
b.) one pair small scissors
c.) one pack paper towels
d.) one deluxe brush
e.) one 8-oz. Desolv (coffee remover) — Coffee Out
f.) one 8-oz. Nokimded (liquid deodorizer) — Rescue
g.) one 8-oz. Trophy (solvent spotter)
h.) one 8-oz. Gentle (mild detergent)
i.) one 8-oz. Invade (paint & grease remover) — T.O.P. Gum
j.) one 8-oz. Relief (enzyme pre-spray & grease cutter) — Greasolv
k.) one 8-oz. Sure-Pass (heavy duty traffic spotter)

l.) one 8-oz. Rustle (Rust Remover) - Rust Away
m.) one 8-oz. Restore (acid spotter & debrowning agent) - Reverse
n.) one 8-oz. Press-It (dye stain remover) - D.Q.
o.) one 8-oz. Exclude (gum remover)
p.) one 8-oz. Laser (ink remover) - Ink Away
q.) one sponge
r.) one pH paper testing kit
s.) one Pro-case

One Deluxe Spot Dye Kit

a.) one color restoration guidebook
b.) one brush
c.) three mixing containers
d.) three eye droppers
e.) one set rubber gloves
f.) one 8-oz. PH adjuster
g.) one 2-oz. Fl 13er Id solution
h.) one 8-oz. Bleach neutralizer
i.) dye kit includes 24 pigments
j.) one dye prep
k.) one deluxe carrying case

Chemicals

Two Cases of Matrix Knockdown Defoamer
Four Cases of Rinse
Three 40# of Greasolv
Two Cases of Lemon Renue
Two Gallons of Matrix Fiber Guard Protector
One Case of T.O.P. Gum
One Case of Odorcide 210
One Case of Matrix Spot Out Spotter
One Case of Concrobium Botanical Disinfectant
One Case of Neutral Renue
Two Gallons of Odor Neutralizer OS-1
Two Gallons of USR – Urine Stain Remover
One Case of Matrix Double Strength Encapsulant Plus
One Case of Saiger's Sauce Code Red Pre-Spray
One Container Harvard Chemical Booster Powder
Two Stain Magic Kits
One Stain Magic Kit for Wool
One Red Relief Kit or Red One
One Bottle of Dye Remover
One Dye Pen Remover
4 Dye Droppers
2 Dye Syringes
One 5-gal pail of Daily Clean
Two Gallons Browning Treatment & Two Gallons Coffee Stain Remover
One Case of BG3
Two Gallons Thermo 55 Citrus
Two Gallons Thermo 55 Tobak Attack

One Case of Proxy Clean
Six Bottles of Matrix Ink Away
PurTabs 3.3G

Hard Floor Care

One Gekko Grout & Tile Wand
One Gekko Grout & Tile 4” Head
One Gekko 14" Squeegee Head
One 12" Hard Surface Spinner
One 1200psi Extractor
One Boss Multi-Tasker
One 20” Unipro High Speed Burnisher 2000rpm
One Wet/Dry Vac
One Wet/Dry Vac Squeegee
One 15” Nylon Floor Brush
One Shampoo Tank
One Mop Bucket
One Mop Handle / Head
One Grout Brush / Handle
Floor Pads
a.) White Pads (2 cases each — 17" & 20")
b.) Black Pads (2 cases — 17")
c.) Hair Pads (1 case — 17")

Two Gallons of StoneTech Heavy Duty Grout Sealer
One Case of Unitex Billiant 25 Low Speed Finish 25%
One Case of Unitex Sledgehammer Plus Floor Stripper
One Grout Stick
One Case of Floorshizzle
One Case of Viper Renew Restorative Tile & Grout Cleaner

Kitchen

One (4-8 foot) Unger Extension Pole
One (6-12 foot) Unger Extension Pole
One Case of Unger FIXI0 Plastic Fixi – Sponge Clamps
One Case of 3M Extra-Large Commercial Sponges - 7.5 x 4.25 x 2 inches
Six Non-Abrasive Sponges
One Case of Synthetic Scrub Pads
One Flat Microfiber Mop Holder
Six Replacement Flat Microfiber Mop Heads
One WORKPRO 16-Piece Nylon Spring Clamp Set
a.) 4 pieces of 6-1/2 inch clamps
b.) 6 pieces of 4-1/2 inch clamps
c.) 6 pieces of 3-3/8 inch clamps
One 2-Gallon Foaming Sprayer
One Aluminum Ladder (6 feet)
One Fryer Cleanout Rod
One High Temperature Fryer Brush
Four Plastic Scrub Brushes w/Long Handles
Various Scrub Brushes

Six Plastic Scrappers
One Garden Hose
One Face Shield
One Vinyl Apron
Six Pairs of Chemical Resistant Rubber Gloves
Two Disposable Plastic Tarps
One Case of Duct Tape
One Case of Painters Tape
One Case of Clean White Rags
One Case of Trash Bags
One Case of Paper Towels
Two Large Plastic Storage Bins
Three 5-Gallon Buckets
One Case of Beaver S-722 Foaming Degreaser
One Case of Beaver Bake Off Oven Cleaner
One Case (24 Packets) of Stera-Sheen Fryer Cleaner

RENUE SYSTEMS DEVELOPMENT CORP., INC.	**FRANCHISEE** _____	**FRANCHISEE** _____
By:_____	By:_____	By:_____
Print Name:_____	Print Name:_____	Print Name:_____
Title:_____	Title:_____	Title:_____

RENUE®

EXHIBIT C

PREFERRED CUSTOMER AGREEMENT

Date: _____

Franchisee: _____

This Preferred Customer Agreement is an amendment ("Amendment") to the Franchise Agreement between Renue Systems Development Corp., Inc. ("Renue") and the Franchisee named above, as such agreement may have been amended or supplemented in writing from time to time (the "Franchise Agreement").

This Amendment is intended to be read in conjunction with the Franchise Agreement and whenever possible should be interpreted as a supplement to the Franchise Agreement. If there is a direct conflict between the terms of this Addendum and the Franchise Agreement, the terms of this Addendum will apply.

In consideration of being provided preferred access to hotels operating under the Best Western® Hilton®, and Raddison® families of brands, Avendra-member hotels, Wyndham Hotel Group, InterContinental Hotels Group, Foodbuy, CHAMPS Group Purchasing and such similar companies Renue may contract with in the future (the "Preferred Customers"), the Franchisee agrees as follows:

1) As a condition to providing services at any Preferred Customer hotel, the Franchisee will comply with all rules and obligations imposed upon it by any such Preferred Customer. Renue will provide the Franchisee with updates on these rules and obligations from time to time.

2) In some cases Preferred Customers benefit from negotiated rates. The Franchisee will perform services at the prices and for the rates then in effect, as such prices and rates may change from time to time.

3) The Franchisee shall enter into service agreements directly with the owner/operator of the Preferred Customer hotel. In some cases, the Franchisee will be required to use a form of service agreement specific to the Preferred Customer. The Franchisee will represent itself as an independently owned franchisee operating under the Renue® name by license and will not represent itself as an employee of Renue or the Preferred Customer.

4) The Franchisee agrees to comply with all minimum insurance requirements imposed by a Preferred Customer from time to time. Renue will provide the Franchisee with updated insurance requirements as such information becomes available to Renue.

5) The Franchisee will treat all confidential information of all Preferred Customers as confidential and will not share such information with any third party. The Franchisee acknowledges that Preferred Customers may require the Franchisee and its representatives to execute additional agreements regarding the protection of confidential information.

6) The Franchisee shall not use the logos, trademarks, or other indicia of any Preferred Customer without receiving written approval from Renue.

7) The Franchisee must comply with any Preferred Customer's privacy policy in effect from time to time.

8) The Franchisee agrees to defend, indemnify and hold harmless Renue and its affiliates, subsidiaries, employees, shareholders, and representatives (collectively the "Indemnified Parties") from and against any loss, damage, liability, cost, fee, or claim, attributable to any act or omission or the performance of services performed by Franchisee or its representatives that may be suffered by and/or be the subject of a claim of a Preferred Customer or other third party against the Indemnified Parties, including, without limitation, any loss, damage, liability or claim arising from injury or death to persons, damage to property, or diminished value of Renue's relationship with the Preferred Customer.

9) Renue does not represent or warrant that its relationships with the Preferred Customers will result in increased sales or other benefits for the Franchisee and further provides no representation or warranty regarding the continuation of such agreements.

This Amendment will become part of the Franchise Agreement as of the date first above written. Except as modified by this Amendment, the Franchise Agreement remains unchanged and is in full force and effect.

RENUE SYSTEMS DEVELOPMENT CORP., INC.	**FRANCHISEE** _____	**FRANCHISEE** _____
By:_____	By:_____	By:_____
Print Name:_____	Print Name:_____	Print Name:_____
Title:_____	Title:_____	Title:_____

RENUE®

EXHIBIT D

AUTHORIZATION AGREEMENT FOR DIRECT DEBITS (ACH DEBITS)

FRANCHISE OWNER:_____

FRANCHISE OWNER FEIN:_____

Franchise Owner does hereby authorize Renue Systems Development Corp., Inc., an Illinois corporation (the "Company"), to initiate debit electronic funds transfers from the bank account described below (the "Account") for amounts payable by Franchise Owner to the Company pursuant to the terms of that certain Franchise Agreement between the Company and Franchise Owner dated as of _____, 20_____, at the financial institution named below (the "Bank"), and to initiate credit electronic funds transfers to the Account in order to correct any errors that may occur.

BANK NAME: _____

CITY:_____STATE:_____

ABA ROUTING NUMBER:_____

ACCOUNT NO.:_____

This authority is to remain in full force and effect until the Company has received written notification from Franchise Owner of its termination of such authority in such time and in such manner as to afford the Company and the bank a reasonable opportunity to terminate the debit arrangement established hereby.

FRANCHISE OWNER:

_____

By:_____
Name:_____
Title:_____

PERSONAL GUARANTY

THIS PERSONAL GUARANTY (this "Personal Guaranty") is made and entered into this _____ day of _____, 20_____, by and between RENUE SYSTEMS DEVELOPMENT CORP., INC. (the "Company"), and the undersigned personal guarantors (the "Personal Guarantors").

The Company and _____, a(n) _____ (the "Franchisee") have entered into a Franchise Agreement, dated the same date as set forth above, for the operation of a franchised RENUE® business (the "Franchise Agreement").

It is the desire of the undersigned Personal Guarantors to personally guaranty the obligations of the Franchisee under the Franchise Agreement and to be individually, jointly and severally bound by the terms and conditions of the Franchise Agreement.

In consideration of the execution of the Franchise Agreement by the Company, and for other good and valuable consideration, the undersigned, for themselves, their heirs, successors, and assigns, do individually, jointly and severally hereby become surety and guaranty for the payment of all amounts and the performance of the covenants, terms and conditions of the Franchise Agreement, including the covenants not to compete.

1. **Obligations under Agreement.** The undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Franchise Agreement, including the covenants not to compete, and agree that this Personal Guaranty should be construed as though the undersigned and each of them executed an agreement containing the identical terms and conditions of the Franchise Agreement.

2. **Default of Franchisee.** If any default should at any time be made therein by the Franchisee, then the undersigned, their heirs, successors and assigns, do hereby, individually, jointly and severally, promise and agree to pay to the Company any amounts due and payable to the Company under the Franchise Agreement.

3. **Non-Compliance by Franchisee.** If the Franchisee fails to comply with any other terms and conditions of the Franchise Agreement, then the undersigned, their heirs, successors and assigns, do hereby, individually, jointly and severally, promise and agree to comply with the terms and conditions of the Franchise Agreement for and on behalf of the Franchisee.

4. **Obligations to Company.** If the Franchisee is at any time in default on any obligation to pay monies to the Company or any affiliate of the Company, whether for amounts due under the Franchise Agreement, other fees, merchandise, products, supplies, or other products purchased by the Franchisee from the Company or an affiliate of the Company or for any other indebtedness of the Franchisee to the Company any affiliate of the Company, then the Personal Guarantors, their heirs, successors and assigns, do hereby, individually, jointly and severally, promise and agree to pay all such monies due and payable from the Franchisee to the Company and any affiliate of the Company upon default by the Franchisee.

5. **Binding Agreement.** The provisions, covenants and conditions of this Personal Guaranty will inure to the benefit of the successors and assigns of the Company.

6. **Jurisdiction and Venue.** Except as precluded by applicable law, all litigation, actions or proceedings pertaining to this Personal Guaranty will be brought and venued in accordance with the Franchise Agreement.

The Personal Guarantors are signing this Personal Guaranty as of the date first stated above.

Individually	Individually
Print Name	Print Name
Address	Address
City State Zip Code	City State Zip Code
Telephone	Telephone
Individually	Individually
Print Name	Print Name
Address	Address
City State Zip Code	City State Zip Code
Telephone	Telephone
Individually	Individually
Print Name	Print Name
Address	Address
City State Zip Code	City State Zip Code
Telephone	Telephone

RECEIPT OF FRANCHISE-RELATED AGREEMENTS

RENUE® FRANCHISE SYSTEM

The undersigned does hereby acknowledge receipt of the following agreements, in form for execution, relating to a RENUE® franchise of Renue Systems Development Corp., Inc.

THE PROPOSED FRANCHISEE MUST INITIAL ON THE LINE NEXT TO THE FOLLOWING APPLICABLE DOCUMENT(S):

_____ [___] Franchise Agreement.

_____ [___] Other, Specify _____.

I further acknowledge that it is my responsibility to review all such documents personally or to have my attorney review such documents so that I am fully familiar with the transaction contemplated by these documents prior to the execution of any document.

A FEDERAL TRADE COMMISSION RULE REQUIRES THAT WE PROVIDE THE FRANCHISEE WITH THE FRANCHISE-RELATED DOCUMENTS NOTED ABOVE AT LEAST SEVEN CALENDAR DAYS PRIOR TO THE DATE THEY ARE TO BE EXECUTED. PLEASE DO NOT SIGN OR RETURN THESE DOCUMENTS UNTIL SEVEN CALENDAR DAYS HAVE ELAPSED FROM THE DATE OF THIS RECEIPT.

Signed_____	**Signed**_____
Print Name_____	Print Name_____
Date Received_____	Date Received_____

RENUE SYSTEMS DEVELOPMENT CORP., INC.

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT E:

CRM SERVICES AGREEMENT

EXHIBIT E

RENUE SYSTEMS DEVELOPMENT CORP., INC.
FRANCHISE DISCLOSURE DOCUMENT

CRM SERVICES AGREEMENT

This CRM Services Agreement ("***Agreement***") is made and entered into as of this _____ day of _____, 20____ (the "***Effective Date***"), by and between Renue Systems Development Corp., Inc. ("***Renue***") and _____ ("***Franchisee***").

WHEREAS, Renue, as franchisor of the Renue franchise system has developed a customer relationship management services offering for Renue franchisees consisting of (i) outbound email services, (ii) outbound marketing calls to targeted contacts and companies and (iii) contact and customer data storage, maintenance and management (the "***CRM Services***"); and

WHEREAS, Franchisee desires to purchase the CRM Services from Renue, on the terms and conditions set forth herein.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

AGREEMENT

1. **CRM Services**. Subject to the terms and conditions of this Agreement, Renue agrees to provide, and Franchisee agrees to pay for, the CRM Services described on Schedule 1 attached hereto, as from time to time updated by Renue. Franchisee acknowledges that the CRM Services involve access to Franchisee's customer and potential customer data included in Renue's software application.

2. **CRM Service Fees**.

(a) Franchisee shall pay to Renue a quarterly fee for each Franchisee Database, as further set forth in Schedule 2 attached hereto (the "***CRM Service Fee***"). For purpose of this Agreement, a "***Franchisee Database***" is the database of contacts and customers maintained by Franchisee in Renue's software application (or successor application) for each individual franchisee location.

(b) The initial cost of each Franchisee Database has been established by Renue prior to the Effective Date of this Agreement and shall remain in effect through September 30 following the Effective Date. The CRM Service Fee may be updated annually, and Renue shall provide Franchisee notification of said update. Renue shall periodically review Franchisee Database usage and the CRM Service Fee, with any adjustments to the CRM Service Fee to be effective on October 1st of each year, commencing on October 1, 2023.

(c) CRM Service Fees shall be billed quarterly (at the beginning of the quarter) for the upcoming quarter, and shall be due and payable within thirty (30) days of the date of invoice. Partial quarter invoicing is not permitted.

(d) If Franchisee's usage of the Franchisee Database is sufficient, in Renue's sole discretion, Renue may elect to credit the CRM Service Fee for that quarter toward Franchisee's

future purchases of chemicals, equipment or supplies from Renue (to be applied when designated by Franchisee).

(e) A Franchise Database for a new location acquired or opened after the Effective Date of this Agreement shall be added automatically to this Agreement at the then-current level CRM Service Fee.

(f) Franchise Databases associated with any location that ceases operations after the Effective Date will be automatically transferred to Renue; *provided, however*, that Franchisee shall be obligated for the CRM Service Fee and will not receive a refund of the CRM Service Fee paid for any such location through the end of the quarter in which such location ceased operations.

3. **Term and Termination**.

(a) CRM Services will commence on the first day of the first full calendar month following execution of this Agreement and remain in effect until termination of the CRM Services program by Renue, unless earlier terminated in accordance with this Section 3 (the "***Term***").

(b) This Agreement may be terminated prior to expiration of the Term by Renue upon thirty (30) days prior written notice to Franchisee in the event of Franchisee's breach of this Agreement. In addition, this Agreement shall automatically terminate upon termination or expiration of Franchisee's franchise agreement with Renue. Renue makes no assurances that future CRM service programs will be on the same or similar terms.

4. **Compliance with Laws; Limitation of Liability**.

(a) The CRM Services and any deliverables in connection therewith will comply with all applicable laws, rules and regulations.

(b) Renue is a Business that Processes information, including Consumer Personal Information, on behalf of Franchisee within the meaning set forth in the California Consumer Privacy Act ("CCPA"). Defined terms used in this Section 4(b) shall have the meanings set forth in the CCPA. In connection with the CRM Services, Franchisee will disclose Consumers' Personal Information to Renue for a Business Purpose. Renue acknowledges that it is prohibited from retaining, using or disclosing such Personal Information for any purpose other than for the specific purpose of performing the CRM Services or other, similar services described in any agreement between Renue and Franchisee, or as otherwise permitted by the CCPA, including retaining, using or disclosing such Personal Information for a Commercial Purpose other than providing the services described above. Renue will notify Franchisee within fifteen (15) business days, of its receipt of a verifiable consumer request under the CCPA, or any complaint, notice, or communication that directly or indirectly relates to either party's compliance with the CCPA. In the event Renue is required by law to disclose Consumer Personal Information for a Commercial Purpose unrelated to the services provided by Renue to Franchisee, Renue will first inform Franchisee of the legal requirement and give Franchisee an opportunity to object or challenge the requirement, unless the law prohibits such notice. The full text of the CCPA can be viewed at: https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200AB25

(c) THIS SECTION 4 CONTAINS RENUE'S ONLY EXPRESS WARRANTY CONCERNING THE CRM SERVICES AND ANY DELIVERABLES IN CONNECTION THEREWITH AND IS MADE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, CONDITIONS AND REPRESENTATIONS, EXPRESS OR IMPLIED, INCLUDING, BUT OT

LIMITED TO, ANY IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE OR MERCHANTABILITY, WHICH ARE EXPRESSLY DISCLAIMED. RENUE MAKES NO GUARANTY AS TO RESULTS OF THE CRM SERVICES OR SPECIFIC OUTCOMES FROM UTILIZATION OF THE CRM SERVICES ANY KIND OR NATURE WHATSOEVER. IN NO EVENT SHALL EITHER PARTY'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER IN CONTRACT, TORT OR UNDER ANY OTHER THEORY OF LIABILITY, EXCEED THE AMOUNTS ACTUALLY PAID BY AND DUE FROM FRANCHISEE HEREUNDER DURING THE TWELVE- (12) MONTH PERIOD IMMEDIATELY PRECEDING THE FIRST EVENT GIVING RISE TO SUCH LIABILITY. IN NO EVENT SHALL EITHER PARTY OR ITS AFFILIATES, OFFICERS, DIRECTORS, EMPLOYEES, OR AGENTS HAVE ANY LIABILITY TO THE OTHER PARTY FOR ANY LOST PROFITS, LOSS OF USE, COSTS OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES, OR FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES HOWEVER CAUSED AND, WHETHER IN CONTRACT, TORT OR UNDER ANY OTHER THEORY OF LIABILITY, WHETHER OR NOT THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE.

5. **Miscellaneous**. This Agreement and the Schedules attached hereto including all SOWs executed hereunder and all exhibits constitutes the entire agreement between the Parties with respect to the subject matter hereof. Except as specifically provided in this Agreement or the Schedules attached hereto, no modification or amendment of any provision of this Agreement shall be effective unless in writing and signed by the Parties. Neither party may assign its rights or obligations hereunder without the prior written consent of the other Party. No failure or delay by a Party in exercising any right under this Agreement shall constitute a waiver of that right. This Agreement shall be governed exclusively by the internal laws of the State of Minnesota, without regard to its conflicts of laws rules.

"Franchisee"	**"Renue"**
_____	**RENUE SYSTEMS DEVELOPMENT CORP., INC.**
By_____	By_____
Its_____	Its_____

CRM SERVICES

The CRM Services have three components:

- Outbound email services;
- Outbound marketing calls to targeted contacts and companies in a Franchisee Database; and
- Contact and customer data storage, maintenance and management.

Renue will periodically review the Franchisee Database usage and size; assess and communicate service performance statistics to franchisees.

SCHEDULE 2

PRICING

[Insert Pricing]

RENUE SYSTEMS DEVELOPMENT CORP., INC.

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT F:

SAMPLE FORM OF GENERAL RELEASE

EXHIBIT F

RENUE SYSTEMS DEVELOPMENT CORP., INC.
FRANCHISE DISCLOSURE DOCUMENT

SAMPLE RELEASE

Unless precluded by applicable state law, if you sell, assign or transfer your Franchise Agreement to a third party, or you renew your franchise, you will sign an agreement containing joint and mutual release language substantially similar to the following:

This Joint and Mutual Release is made, entered into and effective this _____ day of _____, 20_____, by and between RENUE SYSTEMS DEVELOPMENT CORP., INC. (the "Franchisor") and _____ (the "Franchisee").

The Franchisee entered into a Franchise Agreement, dated _____, 20_____ with the Franchisor (the "Agreement") authorizing the Franchisee to open and operate a franchised Renue® business in the protected area described in the Agreement.

The Franchisee desires to transfer, sell and assign the Agreement to a third party (the "Assignee").

The Franchisor has agreed to consent to the transfer, sale and assignment of the Agreement by the Franchisee to the Assignee, a condition of which is the execution of the following joint and mutual release by the Franchisor and the Franchisee:

1. Release of Franchisor by Franchisee. For and in consideration of the execution of this Joint and Mutual Release, the Franchisee and its affiliates hereby release and forever discharge the Franchisor and its current and former affiliates from any and all claims which the Franchisee and its affiliates have had or now have against the Franchisor and its current and former affiliates or any of them, for, upon or by reason of any matter, fact or thing whatsoever from the beginning of time through and including the date of this Joint and Mutual Release including, but not limited to, any alleged violations of the Federal Trade Commission's Trade Regulation Rule relating to Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures, "mini" FTC laws, deceptive or unfair trade practices laws, franchise laws or securities laws, and all other local, municipal, state, federal or other laws, statutes, rules or regulations, and any alleged breaches or violations of the Agreement and/or any other agreements between the Franchisee and its affiliates and any of them, and the Franchisor and its affiliates and any of them; provided, however, that this provision will not apply to any claims specifically excluded by terms of this Joint and Mutual Release.

2. Release of Franchisee by Franchisor. For and in consideration of the execution of this Joint and Mutual Release, the Franchisor and its affiliates hereby release and forever discharge the Franchisee and its affiliates from any and all claims which the Franchisor and its affiliates have had or now have against the Franchisee and its affiliates for, upon or by reason of any matter, fact or thing whatsoever from the beginning of time through, up to and including the date of this Joint and Mutual Release including, but not limited to, any local, municipal, state, federal or other laws, statutes, rules or regulations, and any alleged violations of the Agreement, and/or any other agreements between the Franchisee and its affiliates and any of them, and the

Franchisor and its affiliates and any of them; provided, however, that this provision will not apply to any claims specifically excluded by terms of this Joint and Mutual Release.

WASHINGTON: This Joint and Mutual Release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

"Franchisee"	"Franchisor"
_____	**RENUE SYSTEMS DEVELOPMENT CORP., INC.**
By_____	By_____
Its_____	Its_____

The above language may be modified or supplemented to address issues specific to the transfer of your Franchise Agreement to a third party, the renewal of your franchise, or to comply with applicable law (see Item 17 of the Franchise Disclosure Document).

RENUE SYSTEMS DEVELOPMENT CORP., INC.

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT G:

FRANCHISEE QUESTIONNAIRE

FRANCHISEE QUESTIONNAIRE

***This Questionnaire does not apply to Maryland franchisees. Do not sign this Questionnaire if you are a Maryland resident, or the franchise is to be located in Maryland.**

As you know, Renue Systems Development Corp., Inc. (the "Franchisor") and you are preparing to enter into a Franchise Agreement for the operation of a franchised Renue® business (the "Franchise"). The purpose of this Questionnaire is to determine whether any statements or promises were made to you that the Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest responses to each question.

	QUESTION	YES	NO
1.	Have you received and personally reviewed the Franchisor's Franchise Disclosure Document (the "Disclosure Document") provided to you?		
2.	Did you sign a receipt for the Disclosure Document indicating the date you received it?		
3.	Do you understand all of the information contained in the Disclosure Document?		
4.	Have you received and personally reviewed the Franchise Agreement and each exhibit or schedule attached to it?		
5.	Please insert the date on which you received a copy of the Franchise Agreement with all material blanks fully completed: _____		
6.	Do you understand the terms of and your obligations under the Franchise Agreement?		
7.	Have you discussed the benefits and risks of operating the Franchise with an attorney, accountant or other professional advisor?		
8.	Do you understand the risks associated with operating the Franchise?		
9.	Do you understand that the success or failure of the Franchise will depend in large part upon your skills and abilities, competition, interest rates, the economy, inflation, labor and supply costs, lease terms and the marketplace?		
10.	Has any employee or other person speaking on behalf of the Franchisor made any statement or promise regarding the amount of money you may earn in operating the Franchise that is contrary to, or different from, the information contained in the Disclosure Document?		
11.	Has any employee or other person speaking on behalf of the Franchisor made any statement or promise concerning the total amount of revenue the Franchise will generate that is contrary to, or different from, the information contained in the Disclosure Document?		
12.	Has any employee or other person speaking on behalf of the Franchisor made any statement or promise regarding the costs involved in operating the Franchise that is contrary to, or different from, the information contained in the Disclosure Document?		

	QUESTION	YES	NO
13.	Has any employee or other person speaking on behalf of the Franchisor made any statement or promise concerning the actual, average or projected profits or earnings or the likelihood of success that you should or might expect to achieve from operating the Franchise that is contrary to, or different from, the information contained in the Disclosure Document?		
14.	Has any employee or other person speaking on behalf of the Franchisor made any statement or promise or agreement, other than those matters addressed in your Franchise Agreement, concerning advertising, marketing, media support, market penetration, training, support service or assistance relating to the Franchise that is contrary to, or different from, the information contained in the Disclosure Document?		

If you answered "Yes" to any of questions ten (10) through fourteen (14), please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered "No" to each of the foregoing questions, please leave the following lines blank.

_____

_____

_____

_____

_____

For California prospective Franchisees: You are not required to sign this Questionnaire.

Do not sign this Questionnaire if you are a Hawaii resident, or the franchise is to be located in Hawaii.

The Questionnaire does not waive any liability the franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

You understand that your answers are important to us and that we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions.

_____	_____
FRANCHISE APPLICANT	**FRANCHISE APPLICANT**
Dated: _____, 20____	Dated: _____, 20____

RENUE SYSTEMS DEVELOPMENT CORP., INC.

FRANCHISE DISCLOSURE DOCUMENT

EXHIBIT H:

STATE EFFECTIVE DATES & RECEIPTS

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
Maryland	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Renue Systems Development Corp., Inc. ("Renue") offers you a franchise, it must provide this Disclosure Document to you at least 14 calendar days before you sign a binding agreement with, or make a payment to, Renue or an affiliate in connection with the proposed franchise sale.

Michigan requires that Renue give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Renue does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed in Exhibit A.

The Issuance Date: March 28, 2023

The franchise seller(s) for this offering is/are: David Grossman, Renue Systems Development Corp., Inc., 1147 North Main Street, Lombard, Illinois 60148, (646) 824-6309, and _____.

Renue authorizes the respective state agencies identified in Exhibit A to receive service of process for it in the particular state.

I received this Disclosure Document, dated March 28, 2023, that included the following exhibits: State-Specific Addenda to Disclosure Document; Exhibit A - Agents for Service of Process; Exhibit B - Franchisee Information; Exhibit C - Financial Statements; Exhibit D - Franchise Agreement; Exhibit F - Sample Form of General Release; Exhibit G – Franchisee Questionnaire; and Exhibit H - State Effective Dates & Receipts.

Signed:	_____	Signed:	_____
Print Name:	_____	Print Name:	_____
Address:	_____	Address:	_____
City/State/Zip:	_____	City/State/Zip:	_____
Telephone:	_____	Telephone:	_____
Dated:	_____	Dated:	_____

Copy To:
Renue Systems Development Corp., Inc.
1147 N. Main Street
Lombard, IL 60148

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 Renue Systems Development Corp., Inc. ("Renue") offers you a franchise, it must provide this Disclosure Document to you at least 14 calendar days before you sign a binding agreement with, or make a payment to, Renue or an affiliate in connection with the proposed franchise sale.

Iowa and New York require that Renue give you this Disclosure Document at the earlier of the first personal meeting or 10 business days (14 calendar days in Iowa) before the execution of any binding franchise or other agreement, or payment of any consideration that relates to the franchise relationship. Michigan requires that Renue give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Renue does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed in Exhibit A.

The Issuance Date: March 28, 2023

The franchise seller(s) for this offering is/are: David Grossman, Renue Systems Development Corp., Inc., 1147 North Main Street, Lombard, Illinois 60148, (646) 824-6309, and _____.

Renue authorizes the respective state agencies identified in Exhibit A to receive service of process for it in the particular state.

I received this Disclosure Document, dated March 28, 2023, that included the following exhibits: State-Specific Addenda to Disclosure Document; Exhibit A - Agents for Service of Process; Exhibit B - Franchisee Information; Exhibit C - Financial Statements; Exhibit D - Franchise Agreement; Exhibit F - Sample Form of General Release; Exhibit G – Franchisee Questionnaire; and Exhibit H - State Effective Dates & Receipts.

Signed:	_____	Signed:	_____
Print Name:	_____	Print Name:	_____
Address:	_____	Address:	_____
City/State/Zip:	_____	City/State/Zip:	_____
Telephone:	_____	Telephone:	_____
Dated:	_____	Dated:	_____

Copy To:
Franchisee

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 Renue Systems Development Corp., Inc. ("Renue") offers you a franchise, it must provide this Disclosure Document to you at least 14 calendar days before you sign a binding agreement with, or make a payment to, Renue or an affiliate in connection with the proposed franchise sale.

Iowa and New York require that Renue give you this Disclosure Document at the earlier of the first personal meeting or 10 business days (14 calendar days in Iowa) before the execution of any binding franchise or other agreement, or payment of any consideration that relates to the franchise relationship. Michigan requires that Renue give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Renue does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed in Exhibit A.

The Issuance Date: March 28, 2023

The franchise seller(s) for this offering is/are: David Grossman, Renue Systems Development Corp., Inc., 1147 North Main Street, Lombard, Illinois 60148, (646) 824-6309, and _____.

Renue authorizes the respective state agencies identified in Exhibit A to receive service of process for it in the particular state.

I received this Disclosure Document, dated March 28, 2023, that included the following exhibits: State-Specific Addenda to Disclosure Document; Exhibit A - Agents for Service of Process; Exhibit B - Franchisee Information; Exhibit C - Financial Statements; Exhibit D - Franchise Agreement; Exhibit F - Sample Form of General Release; Exhibit G – Franchisee Questionnaire; and Exhibit H - State Effective Dates & Receipts.

Signed:	_____	Signed:	_____
Print Name:	_____	Print Name:	_____
Address:	_____	Address:	_____
City/State/Zip:	_____	City/State/Zip:	_____
Telephone:	_____	Telephone:	_____
Dated:	_____	Dated:	_____

Copy To:
Ryan R. Palmer, Esq.
Lathrop GPM LLP
80 South Eighth Street
500 IDS Center
Minneapolis, MN 55402