

FRANCHISE DISCLOSURE DOCUMENT



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The franchise described in this Disclosure Document is for the operation of a business that provides environmentally-preferable, supervised team cleaning services and other related cleaning services to homes and businesses (the “Franchise” or the “Franchised Business”).

The total investment necessary to begin operation of a You’ve Got Maids® franchise is from \$36,394 to \$107,437. This includes the initial franchise fee of \$20,799 to \$62,199 and the initial technology fee of \$595 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 fourteen (14) calendar days before you sign a binding agreement with, or make any payment to the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no 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 a different format, contact YGM Franchise LLC, 3015 Dunes West Boulevard, Suite 101, Mount Pleasant, South Carolina 29466, or call (843) 388-7887.

The terms of your contract will govern your franchise relationship. Don’t rely on the disclosure document alone to understand your contract. Read your entire contract carefully. Show your contract and this disclosure document to an advisor, such as an attorney or 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 N.W., Washington, D.C. 20580. You can also visit the FTC’s website 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.

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How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits D and E.
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 B 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 You've Got Maids 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 You've Got Maids franchisee?	Exhibits D and E list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit 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 or litigation only in South Carolina. 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 South Carolina than in your own state.
2. **Governing Law.** The franchise agreement states that South Carolina law governs the agreement, and this law may not provide the same protections and benefits as local law. You may want to compare these laws.
3. **Spousal Guaranty.** The franchisor requires that your spouse sign a personal guaranty making your spouse jointly and severally liable for the obligations under the franchise agreement and placing your spouse's personal assets at risk.
4. **Minimum Royalty Fees Required.** You must pay the franchisor minimum royalty fees even if your franchised business does not generate any revenue.

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

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EXHIBITS:

- A. List of State Administrators & Agents Authorized to Receive Service of Process
- B. Financial Statements
- C. Franchise Agreement
- D. List of Franchisees
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- F. Manual Table of Contents
- G. Non-Disclosure and Non-Competition Agreement
- H. Disclosure Addenda for Certain Registration States
- I. Independent Organizations We Have Created, Sponsored or Endorsed
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- K. Confidentiality Agreement
- L. Receipt

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

The franchisor is YGM Franchise, LLC. This Disclosure Document refers to YGM FRANCHISE, LLC as “You’ve Got Maids®”, “YGM”, “the Company”, “we”, “our”, or “us”. We refer to the person, persons, or entity who buys a franchise from us as “You”, or “Franchisee”. You’ve Got Maids® requires that all of the Franchisee’s owners personally guarantee, and be personally bound by, the Franchisee’s obligations under the Franchise Agreement and the other agreements described in this Disclosure Document. To fully understand all of your and our respective rights and obligations, you must still carefully review the actual agreements you must execute. These agreements will control if there is any dispute between us.

The Franchisor and any Parents

YGM Franchise, LLC is a South Carolina limited liability company that was incorporated on September 17, 2007 for the sole purpose of franchising the You’ve Got Maids® system (the “System”) in the United States of America. We do business under our corporate name, under the trade name “You’ve Got Maids®”, domain names, logos, websites, etc. Our principal business address is 3015 Dunes West Boulevard, Suite 101, Mount Pleasant, SC 29466. We do not conduct business in any other line of business and we have never offered franchises in any other line of business. YGM Franchise, LLC has no parent company, predecessors or affiliates. We do business only under the name “You’ve Got Maids®.”

We are not engaged in any business other than the operation and franchising of You’ve Got Maids® commercial & residential cleaning businesses. We have operated a business of the type to be conducted by a Franchisee since opening our first maid service office in 2005.

The Franchisor's Predecessors and Affiliates

The Company has no predecessors, or affiliates that offer franchises in any line of business or provide products or services to the franchisees of the franchisor. The Franchisor has not conducted business in any other line of business and it did not offer franchises in any other line.

The Franchisor's Business and the Franchises Offered

You’ve Got Maids® offers residential and commercial cleaning and other related services like window cleaning & carpet cleaning to the general public. We grant You’ve Got Maids® franchises for the operation of a residential & commercial cleaning business. We are now offering franchises for sale. We offer one franchise program by this Disclosure Document.

You may execute a Franchise Agreement, in the form attached as Exhibit C, to operate a single location and to be granted the use of our highly-differentiated You’ve Got Maids® brand in marketing and on service automobiles in the operation of a You’ve Got Maids® business. As a You’ve Got Maids® franchisee, you will:

1. Receive a license to operate your business under the trade names, trademarks, service marks, logotypes, and commercial symbols that we designated, including the service mark “You’ve Got Maids®” (collectively the marks);
2. Receive a specific geographic territory where you will have the exclusive right to operate your You’ve Got Maids® business (your “Protected Territory”);
3. Gain access to customers through our Internet alliances and partnerships;

4. Use our proprietary You've Got Maids® marketing programs and advertising including a web page for your franchise on our website;
5. Obtain our assistance in matters like marketing, management, human resources, products, and services;
6. Gain access to the full array of proprietary products and services we offer, including our confidential business information, business format, methods, processes, specifications, expertise, management software, etc.

You will operate your business under our Franchise Agreement. We refer to the right to operate under our Franchise Agreement, to use our Marks and other intellectual property, and to receive the other benefits we list above, as the "You've Got Maids® System." We refer to the business you operate under the You've Got Maids® System as your "Franchise" or your "Franchised Business."

The green cleaning services you will offer include dusting, polishing, scrubbing, mopping, vacuuming, tidying, laundry, carpet cleaning and window cleaning. Generally, three of your employees will perform cleaning services at each customer's home. Your main duties will be to instruct and supervise your employees and to promote and develop your Franchised Business.

You've Got Maids® Businesses provide efficient household & commercial cleaning services for people who lack the time or desire to clean their business or home on a regular basis. The majority of homes serviced by You've Got Maids® require weekly or every other week service. You've Got Maids® also service one time cleans, but our focus is on repetitive cleanings, to an ever- expanding assembly of clients. You've Got Maids® has discovered that the most efficient and profitable way to perform residential cleaning service is with a team of 3 maid associates.

Our professional dress and approach and our utilization of advanced computerized operating systems provide You've Got Maids® Franchisees the opportunity to more effectively respond to the needs of their clients. Because a professional approach has proven effective with our clients, you must purchase or lease standardized automobiles that meet our standards and specifications for color and logo identification. You and all office personnel must also wear, during business hours, approved You've Got Maids® business attire. The maid associates that you employ must wear an approved You've Got MAIDS uniform. In addition to being strong marketing tools for enhancing awareness of the You've Got Maids® brand, the professional appearance created through the use of standardized automobiles and dress helps you to gain consumer confidence in your community.

We commit to growing the You've Got Maids® brand by satisfying the needs of our customers. You must provide each new customer with either an in-home or over-the-phone estimate of the services that are to be provided, taking into account the requirements specific to their home and family.

The Market and Competition

You will compete with other business that offer cleaning services, including other green cleaning services, other franchised operations as well as local independent services like housekeepers, nannies, maids, and commercial cleaning services that enter the residential market. We believe that the You've Got Maids® System will give you a competitive advantage over others in the market.

Laws Applicable to the Franchised Business

There are no regulations specific only to the residential housekeeping industry that we are aware of, although you must comply with all laws, rules and regulations that apply generally to all businesses. We strongly encourage you to investigate these laws and regulations when evaluating your purchase of a You've Got Maids® Franchise

Agents for Service

Our agents for service of process are disclosed in Exhibit A.

ITEM 2. BUSINESS EXPERIENCE

The following is a list of the Company's officers, directors and other executives who have management responsibility or who market or service our franchisees:

Frank Berger: Chief Executive Officer

Mr. Berger is a co-founder and has served as CEO since the inception of You've Got Maids®, Inc. in 2005. From 1989 to 2002 Mr. Berger served as CEO of Fran-Cyn Ventures, Inc. dba Domino's Pizza in South Carolina and New Jersey. Mr. Berger holds a BBA from Temple University, and attended Delaware Law School.

Cynthia Berger: Chief Operating Officer

Mrs. Berger is a co-founder and has served as COO since the inception of You've Got Maids®, Inc. in 2005. From 1989 to 2002 Mrs. Berger served as CFO of Fran-Cyn Ventures, Inc. dba Domino's Pizza in South Carolina and New Jersey. Mrs. Berger holds two BA's from the University of Delaware, and attended Delaware Law School.

Meli Lussier: Chief Marketing Officer

Ms. Lussier became Chief Marketing Officer of You've Got Maids® in May of 2016. From March of 2008 to April of 2016, Ms. Lussier was Founder and Vice President of Business Development HMMC, a Mount Pleasant, South Carolina luxury marketing and operations consulting firm.

Joseph Berger: President

Mr. Berger became President in 2019. From 2017 to 2019 Mr. Berger was Vice President of Corporate Strategy. From 2011 to 2016 Mr. Berger was the Marketing Coordinator at You've Got Maids®. Mr. Berger holds a BS and a BA from the College of Charleston.

ITEM 3. LITIGATION

No litigation information 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

Initial Franchise Fee	\$ 6,999.00
Protected Territory Fee	\$0.69 per qualified household

The Initial Franchise Fee is composed of two components:

1. An Initial Franchise Fee of \$6,999; and
2. A Protected Territory Fee of \$0.69 for each Qualified Household in your Protected Territory as described in Item 12 of this Disclosure Document, which meets our then current demographic criteria for median income and home value, which may vary, based on demographic information. A Qualified Household is defined as a household with income of over \$75,000 per year;

In addition, you must pay us an Initial Technology Fee of \$595. This fee is utilized for the initial set-up of technology for the franchise system, including, but not limited to our intranet portal, email system, training software, intranet set up and software support.

You must pay the Company an Initial Franchise Fee of \$6,999.00 and a Protected Territory Fee of \$0.69 per Qualified Household when you sign the Franchise Agreement. The minimum number of Qualified Households you must purchase is 20,000. For example, if your Protected Territory included 20,000 Qualified Households, you would remit to us an Initial Franchise Fee of \$6,999 plus an additional Protected Territory Fee of \$13,800 (\$0.69 multiplied by 20,000) for a total of \$20,799. In addition, you must remit to us an Initial Technology Fee of \$595. You must remit the Initial Franchise Fee, the Protected Territory Fee and the Initial Technology Fee at the time you sign the Franchise Agreement.

Discounts and Referral Rewards

- Veterans' Discount - Honorably-discharged Veterans of the U.S. Armed Forces will receive a \$2,500.00 credit toward the Initial Franchise Fee discussed above.
- Referral Rewards - We pay a Referral Reward to any current franchisee for each candidate they refer to us that meets our qualifications, signs a franchise agreement and completes our training program. Currently the Referral Reward structure is as follows:
 - First Referral: \$1,500
 - Second and subsequent Referrals: \$2,000

We may implement, end or change this policy, and impose rules or conditions, whenever we choose. We do not expect or want you to be involved in the franchise solicitation, offering or sales process, and you are strictly prohibited from doing so, you simply are passing along to us the name of someone you know who might be interested in acquiring a franchise.

We may reject you as a new franchisee and terminate your Franchise Agreement if you provide us with any inaccurate financial, personal, or other information, or if you or your manager fails to successfully complete our training program within 60 days of signing the Franchise Agreement.

The Initial Franchise Fee, Protected Territory Fee and the Initial Technology Fee are fully earned upon payment and is non-refundable under any circumstances. If your Franchise Agreement is terminated because you or

your manager failed to successfully compete our training program within 60 days of signing the Franchise Agreement, we may, in our sole discretion, refund your Initial Franchise Fee, Protected Territory Fee and/or the Initial Technology Fee after deducting all of our reasonable administrative and out-of-pocket expenses. These expenses will include our executives' and employees' salaries, training costs, salespersons' commissions, attorneys' fees, accountants' fees and travel expenses. Otherwise, all fees are considered fully earned and nonrefundable.

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ITEM 6. OTHER FEES

Type of Fee (Note 1)	Amount	Due Date	Remarks
Royalty	5.9%-2.99% of Gross Sales achieved during the preceding week	Due by automatic debit each Tuesday	(Note 2)
Local and Digital Advertising Expenditure	\$0.95-\$0.55 per Qualified Household annually (Minimum \$19,000 annually / \$1,584 monthly average)	Payable per supplier's terms.	(Note 3)
National Brand Fund	\$75 per week	Due by automatic debit each Tuesday	(Note 4)
Software License and Maintenance Fee	\$115 per month per franchise location, or then-current fee charged by vendor	Payable per supplier's terms	(Note 5)
Annual Technology Fee	\$595	Due by automatic Debit annually	(Note 6)
National Sales Center	\$60 per month plus \$26 per booking by Call Center, or then-current fee charged by vendor	Payable per supplier's terms	All sales phone calls must be answered live during business hours. (Note 7)
Local Employee Advertising	\$0 to \$150 per month	Payable per supplier's terms	(Note 8)
Transfer Fee	\$6,999	Prior to acceptance of transfer	We provide pre-opening and Corporate Office training to the transferee (Note 9)
Renewal	\$1,000	As incurred	(Note 10)
Services We Provide to Your Customers	\$100-\$1,000	As incurred	(Note 11)
Management Fee	Varies under circumstances but generally between 5% - 10% of revenue earned during the period that we manage your business	Due by automatic debit when services are rendered.	If you abandon your Franchise and we operate it until you return, you must reimburse us for our reasonable expenses and pay a reasonable management fee plus travel and all associated living expenses.
Additional Assistance	Varies under circumstances but approximately \$300-\$350 per day, plus expenses	Due by automatic debit when services are rendered.	We charge a daily fee plus travel and lodging expenses for assistance we provide at your request

Audit	The actual cost of Audit plus underpayment amount and 12% interest	Due by automatic debit 10 days after billing	You pay this fee only if you fail to provide required reports or if you understate your Gross Revenue by 2% or more for any weekly or monthly period
Proprietary Items	Varies under circumstances	As incurred	Includes items like uniforms and certain cleaning supplies. See Item 8 of this Disclosure Document.
Interest	The lesser of 2% over our bank's prime loan rate or the maximum amount permitted by law	Due by automatic debit 10 days after billing	Due on all overdue amounts from the date the amounts were originally due
Late Fees on Late Payments	12% of amount past due	Due by automatic debit 10 days after billing	The late charge covers our administrative and collection costs
Costs and Attorneys' Fees	Varies under circumstances	As incurred	Due only if we hire an attorney
Insurance	Varies under circumstances	Due by automatic debit 10 days after billing	You must reimburse us if we purchase insurance for you because you failed to do so
Computer and Communications Equipment Upgrades and Maintenance	\$200-\$1,500	As incurred or as agreed	You must purchase upgrades and pay for maintenance for your computer and communications equipment as needed.
Late Royalty Report and Payment Fee	\$20 if late and \$20 per day for each additional day the report is late; Non-sufficient funds is \$35.	Due by automatic debit each Monday by 3:00 p.m. (EST)	Due for each late Royalty Report, Royalty Payment and/or if there are non-sufficient funds
Annual Convention	\$0-\$2,000	Prior to Convention	(Note 12)
Accounting and Payroll Fees	\$180-\$230	Monthly directly paid to vendor	(Note 13)
Maintenance and Upgrades of Business Office	Not to exceed \$500 per year	As incurred	(Note 14)
Indemnification	Varies	As incurred	You must reimburse us for losses from claims, damage, or lawsuits arising from your operation of the Franchised Business

Explanatory Notes:

- (1) The above table describes other recurring or isolated fees or payments that you must pay to us or our affiliates, or which we or our affiliates may impose or collect on behalf of a third party, in whole or in part. All fees, unless otherwise specified, are uniformly imposed and collected by and payable to YGM Franchise, LLC. All fees are non-refundable.
- (2) The Royalty structure rewards you for expanding the Franchised Business; the higher the Gross Revenue, the lower the Royalty percentage. Each week, you must remit to us the Royalty amount as follows:

Weekly Gross Revenue	Royalty Percentage
\$0 - \$17,999	5.90%
\$18,000 - \$34,999	4.99%
\$35,000 - \$49,999	3.99%
Over \$50,000	2.99%

“Gross Revenue” means the actual gross charges, whether or not actually collected, for all goods and services purchased by or provided to your customers, whether for cash, credit, barter, or in kind, and whether in, upon, from, through, or by any means, related to the Franchised Business. Gross revenue will exclude the price of goods exchanged for goods, the sale of which has already been included in Gross Revenue, and the amount of any retail tax imposed by any federal, state, municipal, or other governmental authority directly on sales and collected from customers at the point of sale by you acting as agent for such authority.

You must pay a minimum royalty, which may be greater than the royalty based on the percentage of your Gross Revenue. You will pay the greater of the Royalty Fee described in the table above, or the Minimum Royalty outlined below.

Minimum Royalty	
Period from Date of Franchise Agreement	Minimum Weekly Royalty Fees
Year 1	No minimum
Year 2	\$90
Year 3	\$150
Year 4	\$220

You will pay the Royalty Fee each Tuesday for Gross Sales achieved during the previous week by granting us the authorization to do an electronic funds transfer (EFT) from your financial institution.

- (3) Your local advertising expenses for web based marketing, direct mail, newspaper, promotional handouts, door hangers and, media inserts, etc. You must account to us, for all amounts expended for local advertising. We reserve the right to collect the required minimum monthly expenditure from, and implement for you, a local advertising plan, or if upon audit, we discover that you have not spent the required minimum on your local advertising, for more than a period of 90 days, we can collect this amount from you and contribute it to the National Brand Fund rather than spend it specifically on your

local advertising plan. You will pay the local advertising fee to local advertisers, not us. The goal of advertising is to acquire new customers on an ongoing basis. We can require you to participate in a local or regional advertising cooperative, to place your local advertising in a collaborative effort with other You've Got Maids® franchisees. Any amount that you contribute to a cooperative count against the advertising requirement described in this paragraph. We must approve all advertising material.

You will spend a minimum of \$.95 per qualified household annually while weekly sales average below \$10,000.00 a week during the previous 90 day period, a minimum of \$0.75 per qualified household annually while weekly sales average about \$10,000.00 a week during the previous 90 day period and a minimum of \$0.55 per qualified household annually while weekly sales average above \$20,000 a week during the previous 90 day period.

- (4) National Brand Fund may be used for website design/hosting, social media images, video production, graphic design, copywriting, to perform test marketing, public relations, online marketing, conduct surveys, to compensate marketing/advertising staff or engage in other activities we believe will benefit the You've Got Maids® system. We are under no obligation to make expenditures in your protected territories equivalent to your contribution. We will use your contributions to meet any cost of developing, producing, maintaining, administering, and directing consumer advertising. We, in our sole discretion may use the National Brand Fund for any of, but not limited to the following: the cost of developing local marketing and advertising promotional materials, creating and implementing various Internet and other electronic media strategies, developing and maintaining the corporate website, marketing support, website marketing, fulfilment portal, Brand Standard Manual updates, creating advertising campaigns that may include broadcast, print, Internet, and other media, implementing public relations activities, developing national, regional, or third party administration accounts, attending consumer or other end-user trade shows, employing advertising agencies, or other advertising and marketing professionals to assist in these efforts, and others such as brand development and conducting market research. We, in our sole discretion may use your contributions to pay for the services of a national or regional marketing or advertising agency.
- (5) Franchise Management Software System- currently a web-based program for operating your franchise business. This software is a license-based application that allows for multiple role-based users at a single location at no additional charge. The cost is currently \$115 per franchise location per month.

We may at any time substitute or add a different required software for operations, accounting and reporting and office/other business functions for the Business, any such software may be provided by us, a third party or a combination of providers, and you will be required to pay to us or the third-party provider fees for such software and sign related software license agreements. All Software System fees are currently paid directly to our required third-party vendor via automatic bank draft and the amounts of the fees may change in the future in our discretion. See Exhibit F of the Franchise Agreement.

- (6) The Annual Technology Fee is for the personalized home page connected to the You've Got Maids® website, software development, maintenance, the You've Got Maids® Training Program "Maid University", and/or other similar technology products or systems. This Fee also covers on-going research, maintenance, staff support, and development of technology systems to drive efficiencies in accounting and management of leads and business (such as Customer Relationship Management

system ("CRM"). Restrictions apply regarding the number and type of email accounts covered under this fee - see current Brand Standards Manual/Maid University for details

- (7) All phone calls must be answered live during business hours. Use of the specified National Sales Call Center vendor is mandatory. The current vendor is open Monday - Friday 8am to 11pm EST, Saturday from 8am to 8pm EST, Sunday from 9am to 6pm EST. The current fees are as follows: \$60/month for unlimited call answering plus \$26/booking made on your behalf by the Call Center.
- (8) You will pay the local employee advertising fee to local advertisers, not us. These funds are spent to find qualified employees for your business. You are encouraged to explore free and low-cost methods of employee advertising; however, this fee may be required if we determine it is necessary.
- (9) This figure must be paid before you sell your franchise. The transfer fee allows us to recover our reasonable costs for completing the transfer, like attorneys' fees, the cost of investigating the transferee's qualifications, testing the transferee's suitability, conducting a Discovery Day, training costs, sales staff compensation and out-of-pocket expenses.
- (10) The renewal fee allows us to recover our reasonable costs for renewing your Franchise, like attorneys' fees to prepare the new franchise agreement and the general release, and administrative expenses related to, among other things, the paperwork for your renewal.
- (11) You must guarantee your services to your customers. If we believe we must respond to a complaint by your customer, and we enter the customer's home and inspect or correct your work, you must reimburse us for the costs we incur doing so. The range of costs is between \$100-1,000.
- (12) You must attend each national convention which we hold periodically, but not more than once a year.
- (13) You must also use our approved accounting and payroll service for a minimum of 6 months. You will pay approximately \$125 - \$300 per month directly to the accounting service. We will have independent access to information and data that is electronically collected. We intend to collect primarily sales based data from our franchisees on a monthly basis. We reserve the right to gather more specific accounting related data including profit and expense data for benchmarking, reporting, and other analysis.
- (14) You must comply with our standards, specifications, processes, procedures, requirements and instructions regarding your business' physical facilities. You must maintain the business office and any parking areas in good and safe condition.

ITEM 7. YOUR ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT – ALL FEES ARE NON-REFUNDABLE

Type of Expenditure (All fees are non-refundable)	Estimated Amount	Method of payment	When due	To whom payment is to be made
Initial Franchise Fee (Note 1)	\$6,999	Lump Sum	Upon Signing Franchise Agreement	YGM Franchise, LLC.
Protected Territory Fee (Note 2)	\$13,800 - \$55,200	Lump Sum	Upon Signing Franchise Agreement	YGM Franchise, LLC.
Initial Technology Fee (Note 3)	\$595	Lump Sum	Upon Signing Franchise Agreement	YGM Franchise, LLC.
Real Estate/Office (Note 4)	\$400 - \$1,400	Monthly	Prior to opening	Third Parties
Computer Equipment (Note 5)	\$200 - \$1,200	Lump Sum	As incurred	Third Parties
Automobile (Note 6)	\$500 - \$700	Monthly	Prior to opening	Third Parties
Equipment, Fixtures, Other Fixed Assets Including Leasehold Improvements, Signs, Pre-Opening Expenses (Note 7)	\$1,500 - \$2,543	As incurred	As incurred	Third parties
Cleaning Equipment (Note 8)	\$1,300 - \$1,800	As incurred	Prior to opening	Third parties
Security Deposits and Other Prepaid Expenses (Note 9)	\$1,000 - \$2,000	As incurred	Prior to opening	Third parties
Insurance & Bond (Note 10)	\$500 - \$2,000	Monthly	As incurred	Third parties
Training (Note 11)	\$600 - \$3,000	As incurred	Prior to opening	Third parties
Miscellaneous Opening Expenses	\$1,000 - \$4,000	Lump sum	Prior to opening	Third parties
Grand Opening Advertising (Note 12)	\$3,000 - \$6,000 per month for the first three (3) months	As incurred	As incurred	Third parties
Additional Funds for Initial Three (3) Months (Note 13)	\$5,000 - \$20,000 for first (3) months	As incurred	As incurred	Third parties
Total Initial Investment (Note 14)	\$36,394 - \$107,437			

Explanatory Notes

(1) See Item 5 of this Disclosure Document

- (2) The protected territory is comprised of Qualified Household defined previously in Item 5. First time Franchisees must purchase a minimum of 20,000 Qualified Households for \$0.69 each. The typical You've Got Maids® franchise encompasses approximately 40,000 Qualified Households. See Item 12 for more information on Territory.
- (3) The Initial Technology Fee is utilized for the initial set-up of technology for the franchise system, including, but not limited to our intranet portal, email system, training software, intranet set up, software support.
- (4) You must establish and maintain an office outside of your home if your Protected Territory is greater than 20,001 Qualified Homes. If your Protected Territory is less than or equal to 20,000 Qualified Homes, you may operate out of your home, subject to applicable local rules and ordinances. We must approve the size, rent, and location of any office outside of your home. It is our intention to help you properly control rent expense. The cost for your office will vary considerably depending on the size and location of the office.
- (5) This estimate includes a connection charge to a high-speed Internet provider that provides a minimum of 1.5 Mbps up & down. We will provide you with a list of computer equipment you will need in order to operate our management software program and otherwise operate your business. You do not purchase the computer equipment from us. The cost of the equipment you purchase will vary depending on the amount of equipment you buy, the supplier you choose and your persistence in obtaining the best prices available.
- (6) This estimate includes the cost of two car loan payments which includes vehicle wraps, but does not include ongoing gas and maintenance expenses, which you must normally pay on a monthly basis. If you purchase the vehicle (s) you use, your initial investment will be significantly greater than the table shows. If you donate your personal vehicle(s) to your business your initial investment will be significantly less than the table shows. We require that your automobiles display our proprietary car-wrap that we specify from time to time. As your business grows you will need to add a relatively new and clean proprietary car-wrapped vehicle e for each new team that you employ.
- (7) Your costs will vary depending on the size, configuration, and condition of the furniture, supplies, signs, and fixtures you select and the location of your office.
- (8) This represents the uniforms, cleaning equipment, cleaning supplies, and cleaning solutions you will purchase from third party vendors to outfit one team of three maids. You are not required to purchase equipment from You've Got Maids®.
- (9) Your landlord will generally require you to pay the first month's rent and a security deposit equal to one month's rent prior to taking occupancy. Some landlords also require last month's rent to be prepaid. Utility companies and rental agencies will probably require you to pay deposits and prepaid expenses, including prepaid expenses relating to furniture, fixtures, and equipment you may lease.
- (10) We currently require you to maintain the following insurance coverage: (1) commercial general liability insurance with limits of at least \$1 million per occurrence, at least \$1 million aggregate, and at least \$1 million per occurrence, with a maximum deductible of \$500; (2) comprehensive and collision insurance on the vehicle used in operation of the Franchised Business with limits of at least \$300,000 per occurrence, at least \$300,000 per person, with \$300,000 per person medical benefits, and a

maximum deductible of \$2,500; (3) workers' compensation insurance consistent with applicable law; and (4) any surety bond in the amount of \$10,000 per employee. Your policies must be from an insurance carrier acceptable to us, name us as an additional insured, contain a waiver of subrogation, and provide for 30 days prior notice to us of termination, expiration or cancellation of the policy. You must provide us with current and updated certificates of insurance. Insurance requirements are subject to change. The cost of your insurance will vary with the size, location and type of your business, as well as other factors.

- (11) For all Markets we do not charge you for our training program for new franchisees, which consists of Pre-opening Training. All Markets may obtain the On-Site Training for an additional fee. See Item 11 of this Disclosure Document. You are responsible for the travel, food, and lodging expenses you incur when you attend our training program and the salary and benefit costs of your attendees. Costs vary due to distances from your location to our training facility and the quality of the food and lodging you choose. Other factors include seasonal variations in the price of travel and lodging expenses, general economic conditions, and your persistence in obtaining the best prices available.
- (12) Your grand opening advertising cost is directly related to the amount and type (online, television, radio, brochures, newspaper and magazine, direct mail, and other types) of advertising you conduct. The amount you spend is within your discretion, but if your market is less than 20,000 qualified home your will typically spend approximately \$1,000 per month for the first three (3) months above your local advertising expenditure detailed in Item 6. If your market has 40,000 Qualified Households, you will typically spend approximately \$2,000 per month, for the first three (3) months above your local advertising expenditure detailed in Item 6. After 3 months, you will most likely reduce advertising to simply comply with local advertising expenditure detailed in Item 6.
- (13) Additional funds covers the initial expenses you are likely to incur while you establish the Franchise, and those you are likely to incur between the time you begin providing services and the time you begin having a steady cash flow from payments by customers. These expenses include costs related to performing background checks, hiring employees, initial employee wages, and purchasing other goods and services. Your expenditures will depend on factors like your business skills and experience, general and local economic conditions, competition, the prevailing wage rate, the amount of services you provide during the initial period, how well your business is performing, and the number of hours you are willing to invest in your Franchise. These expenses do not include any draw or salary for the owners of the Franchise, but they do include additional office support services you may need.
- (14) In compiling this chart, we relied on our experience in the operation of residential cleaning services. The amounts shown are estimates only and may vary for many reasons. You should review these estimates carefully with a business advisor before you may any decision to purchase a Franchise. We do not offer direct or indirect financing to you for any of these expenses except for the Initial Franchise Fee. Many of the expenses listed are not within our control and are determined more by general and local economic conditions than by our actions. A bank or other lending institution may finance all or a part of your investment on terms we cannot estimate. The availability and terms of financing will depend on factors like the availability of financing, your creditworthiness, collateral you may have, lending policies of your financial institution, and local economic conditions.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Approved Items, Services and Suppliers

To ensure uniformity and quality of services by all Franchisees, you must purchase or lease all equipment, computer equipment, computer software, automobiles, signs, inventory, supplies, marketing materials, uniforms and most other items used in the Franchised Business according to our written specifications. You must also purchase certain services used in the establishment and operation of the Franchised Business according to our written specifications. These specifications may include minimum standards for quality, performance, compatibility, design, appearance and other restrictions as we periodically determine. These specifications are contained in the Brand Standards Manual/Maid University or will otherwise be provided to you in writing. We may periodically change these specifications, by written notice to you or through changes to the Manual/Maid University, and you must promptly comply with the changed standards following notice to you. You may incur expenses or increased costs to comply with any changes. See Item 11 for additional information on the computer equipment and software.

You must purchase or lease certain items and services only from suppliers that we have approved in writing. Items in this category include: management software, uniforms, and marketing materials. A complete list of these items and services, and the approved suppliers for each, is contained in the Brand Standards Manual/Maid University or will otherwise be provided to you in writing. Our approved suppliers have demonstrated to our satisfaction that they have the ability to meet our standards and specifications for the relevant items and services, that they possess adequate quality controls, and that they have the capacity to supply your needs promptly and reliably. We have the right to change the list of approved suppliers, and you must promptly change suppliers if we require.

Approved suppliers do not make payments to us on account of transactions with our Franchisees. We do not intend to have agreements with suppliers in the future providing for payments to us on account of transactions with our Franchisees. In our last fiscal year (2019), our revenue from suppliers on account of purchases of items and services by our Franchisees was \$0. We do not provide material benefits to you (for example, renewal or granting additional franchises) based on your purchase of particular products or services or use of particular suppliers.

We and our affiliates are not currently approved suppliers for any of the items or services used in the establishment and operation of the Franchised Business. We or our affiliates may become the sole approved supplier of certain items or services in the future. We and our affiliates may derive revenue from the sale of items or services to you. However, we expect that if we and our affiliates will offer items and services to you, the sale price will be at or below market price. In our last fiscal year, our revenues from the sale of items and services to our Franchisees were \$0. There are no suppliers in which an officer of the franchisor owns an interest. We do not provide material benefits to you based on your purchase of particular products or services or use of particular suppliers.

We may attempt to negotiate purchase arrangements from approved suppliers for the benefit of our Franchisees, based upon the combined buying power of our franchise network. These discounts, if obtained, may result in lower prices for the items being purchased or other benefits such as reduced prices for warehousing, delivery and other services. In order for our Franchisees to obtain volume discounts and other benefits, we may require you to purchase items and services from suppliers with whom we have negotiated purchase arrangements. We do not have any right to require you to participate in any purchasing or distribution cooperatives.

Failure to purchase required items and services from approved suppliers may be a material default under the Franchise Agreement. We consider a variety of factors when determining whether to renew or grant additional franchises. Among the factors we consider is compliance with the requirements described in this Item 8. Otherwise, we do not provide material benefits to you for your use of designated or approved suppliers.

Automobile

Before opening your You've Got Maids® Franchise, you must purchase or lease at least two (2) four- door small to midsize wagons, vans or sedans displaying our proprietary car-wrap that we specify from time to time.

Cost Allocation

The cost of purchasing items or services from the following sources would likely represent the indicated percentages of your total purchases in the establishment of your Franchised Business:

SOURCE	OFFICE FRANCHISE
Us or our affiliates	2-5%
Other approved suppliers	5-10%
Any supplier according to our specifications	50-70%
Any supplier (no specifications)	15-30%

The cost of purchasing items or services from the following suppliers would likely represent the indicated percentages of your total purchases in the ongoing operation of your Franchised Business:

SOURCE	OFFICE FRANCHISE
Us or our affiliates	0-5%
Other approved suppliers	0-5%
Any supplier according to our specifications	0-15%
Any supplier (no specifications)	80-95%

Approval Process

If you desire to use or offer additional items or services that we have not approved, or you desire to purchase approved items and services from a supplier that we have not approved, you must first obtain our written consent. We do not have any formal policies or procedures for approving new items or services, or for revoking approval. The primary factors in our analysis of possible new items and services are whether the item or service would be a good fit in our franchise system; and whether the item or service would enhance the Franchised Business. This analysis involves the subjective opinion of our management. We do not have any formal policies or procedures for approving new suppliers, or for revoking approval. The primary factors in our analysis of suppliers are whether the supplier has the ability to meet quality and uniformity standards and specifications for the relevant items and services, and whether the supplier has the capacity to supply our franchisees' needs promptly, reliably and economically. This analysis also involves the subjective opinion of our management.

In connection with any request by you for approval of additional items, services or suppliers, we may require you to provide us with photographs, drawings, specifications, samples or any additional materials or information it desires to evaluate your request. You must pay for our reasonable expenses in evaluating your request. We will notify you of our approval or disapproval of any new item, service or supplier requested by you within a reasonable time (usually within 120 days) after we have received all of the relevant information requested. We may withhold approval of any item, service or supplier, as we determine in our discretion. We

have the right to revoke approval of any item, service, or supplier at any time for any reason, and we will notify you of any revocation of approval.

Insurance Requirements

You must maintain certain insurance coverage. The insurance coverage we specify is the minimum any prudent business person would maintain and includes “all risk” property and casualty insurance, commercial general liability insurance, automobile liability insurance for all owned, hired, and non-owned automobiles you or your employees operate in connection with the Franchised Business, and workers’ compensation insurance as required by law. Your cost for the insurance we require will depend on where the territory is situated, the insurance carriers’ charges, your insurance history, and the level of your deductibles. Your insurance policies must provide that your insurers will give us 30 days’ prior written notice of termination, expiration, or cancellation of any insurance. We may increase the minimum insurance limit or require different kinds of insurance if necessary to reflect normal business practices, court awards, and other relevant circumstances. You must maintain a blanket fidelity bond in the amount of \$10,000 for each employee you hire. We have entered into an arrangement with an insurance company that has developed a customized insurance and bonding package that meets our specifications. You may purchase insurance and your fidelity bond through the agency, but we do not require you to do so, nor do we derive any monetary benefit if you do. Your obligation to maintain the required insurance is not limited by insurance we maintain.

Local Office Marketing

To secure new Customers for your Franchised Business you must aggressively conduct, at your expense, marketing, advertising, and promotional programs at the local level. You promise to invest a minimum of \$0.95 per qualified household annually while weekly sales average below \$10,000.00 a week during the previous 90 day period, a minimum of \$0.75 per qualified household annually while weekly sales average about \$10,000.00 a week during the previous 90 day period and a minimum of \$0.55 per qualified household annually while weekly sales average above \$20,000 a week during the previous 90 day period

We must approve all advertising, promotional, and marketing materials before you use them. Although we have 15 days to complete our review, we normally approve or disapprove advertising material within a shorter period time

You will also participate in an advertising cooperative, if applicable, comprised of all the other Franchisees or company-owned business located within an advertising cooperative area. See Item 11.

Transfer of Business Telephone Number(s)

As part of the Franchise Agreement, you promise to authorize the transfer of any business telephone numbers and directory listings to us upon termination of the Agreement.

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 Franchise Agreement	ITEM in Disclosure Document
A	Site selection and acquisition/lease if any	Sections 8.02 & 10.02	ITEM 11
B	Pre-opening purchases/leases	Sections 10.02	ITEM 11

C	Site development and other pre-opening requirements	Sections 10 & 12	ITEM 11
D	Initial and ongoing training	Sections 8.04 & 8.05	ITEM 11
E	Opening	Section 8.06	None
F	Fees	Section 5	ITEM 5, 6, & 7
G	Compliance with standards and policies/Manual	Section 7.04, 12.02, 12.03, 12.04, 12.06	ITEM 11
H	Trademarks and proprietary information	Section 6 & 7	ITEM 13 & 14
I	Restrictions on products and services offered	Sections 8.03, 12.01, 12.04	ITEM 8 & 16
J	Warranty and customer service requirements	Not Applicable	Not Applicable
K	Territorial development and sales quotas	Section 4 and Attachment I	ITEM 11 & 12
L	Ongoing product and service purchases	Section 12	ITEM 8 & 16
M	Maintenance, appearance and remodeling requirements	Sections 10.01, 10.04, 12.02, 12.03, 12.10	ITEM 6
N	Insurance	Section 12.13	ITEM 8
O	Advertising	Section 9, 12.03	ITEM 11
P	Indemnification	Section 12.14	None
Q	Owner's participation/management staffing	Sections 12.06	ITEM 15
R	Records/reports	Section 7	None
S	Inspection/audits	Section 11	None
T	Transfer	Section 14	ITEM 17
U	Renewal	Section 3	ITEM 17
V	Post-termination obligations	Sections 13.04, 13.05, 13.06	ITEM 17
W	Non-competition covenants	Sections 7.05, 15.01	ITEM 17
X	Dispute resolution	Section 16	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.

Before you open your business, we will:

- (1) Designate the Protected Territory in writing for your Franchise. (See Section 4 & Exhibit A of the Franchise Agreement).
- (2) Provide you with a list of suppliers and sources we have approved.
- (3) Loan you a copy of our confidential Brand Standards Manual/Maid University which contains mandatory and suggested specifications, standards, operating procedures and rules. The Manual is confidential and remains our property. We may modify the Manual from time to time, but the modification will not alter

your status and rights under the Franchise Agreement. (See Section 7.04 of the Franchise Agreement). We have included a copy of the Table of Contents of our Manual as **Exhibit F** to this Franchise Disclosure Document.

- (4) Give prior approval to use business forms, business stationery, business cards, advertising materials, permanent materials, and forms which you intend to utilize (Also required during operation of the Franchised Business).
- (5) Approve in advance any person which you desire to act as a representative for you in connection with local promotion of your Franchised Business in a public media.
- (6) Give prior approval to all marketing, advertising, and promotional material prepared by you. (Also required during operation of the Franchised Business).
- (7) Establish the standards and specifications for your employees' standard attire.
- (8) Specify minimum policy limits for certain types of insurance. (Also required during operation of the Franchised Business).
- (9) Approve the location of your office. You must select your business office site within your Protected Territory.
- (10) Provide you advice about the negotiation of the lease or purchase of a location for your Business, which will be leased or purchased by you from independent third parties. Our assistance in no way constitutes a representation or warranty with respect to the lease or purchase. (See Sections 10.01 of the Franchise Agreement).
- (11) Provide you with written specifications for the model and body style for marketing automobiles to be used in the Franchise Business. (Also required during the operation of the Franchised Business)
- (12) We will provide an initial training course conducted by our training staff to both you and such employee that you may designate within 60 days. However, you must pay the salaries, fringe benefits, payroll taxes, unemployment compensation, workers' compensation insurance, travel expenses, lodging, food, automobile rental cost and all other expenses for all persons attending this training. The initial training course will be held at our corporate office in South Carolina, or online, as well as at your location upon request for an additional fee. The training is usually for five (5) days and averages eight (8) hours per day, but may vary depending upon your previous experience and business acumen. Frank Berger and Cynthia Berger will likely be your instructors for training. Both Frank and Cynthia have trained our Franchisees in the operation of the Franchise Business since 2005. Additionally, current franchisees may be invited to conduct a portion of the training. Training includes the review of the Brand Standards Manual/Maid University in the management of a YGM and other instruction in the operation and use of an efficient system of bookkeeping and inventory control. You and your designated employee must complete initial training to our satisfaction, through your demonstration of knowledge and understanding of both the Brand Standards Manual/Maid University and the bookkeeping and inventory control system. You are not required to pay us a separate fee for initial training, but you are required to pay all of your personal expenses, including, travel, hotel and meals. Instructional materials for the initial training program include the Brand Standard Manual/Maid University, standard forms and training manuals. Below is an estimation of subjects covered and approximate hours of classroom and on-the-job training:

TRAINING PROGRAM					
Subject	Hours of Classroom Training	Instructional Material	Hours of On-the-Job Training	Instructor	Location
Orientation	Minimum of 4 Hours	Online or Live instruction – Planning Manual	None	Frank Berger or qualified corporate staff	Corporate Office or online
Program Services	Minimum of 6 Hours	Online or Live instruction - Manual, Software Manual, Accounting Forms,	None	Frank Berger or qualified corporate staff	Corporate Office or online
Safety and Insurance	Minimum of 4 Hours	Online or Live instruction - Manual	None	Cynthia Berger or qualified corporate staff	Corporate Office or online
Marketing and Promotion	Minimum of 6 Hours	Online or Live instruction - Manual, Check Lists, and Forms	None	Cynthia Berger or qualified corporate staff	Corporate Office or online
Basic Management	Minimum of 4 Hours	Online or Live instruction – Sales Manual, Order Forms	None	Frank Berger or qualified corporate staff	Corporate Office or online
Hiring Practices	Minimum of 2 Hours	Online or Live instruction - Manual, Forms	None	Cynthia Berger or qualified corporate staff	Corporate Office or online
Operations: Bookkeeping Systems	Minimum of 6 Hours	Online or Live instruction – Manual Forms	None	Cynthia Berger or qualified corporate staff	Corporate Office or online
Equipment Pre-Opening, Opening	Minimum of 6 Hours	Online or Live instruction – Brand Standards Manual, Support Forms	None	Frank Berger or qualified corporate staff	Corporate Office or online
Operations: Daily Routines, Reporting & Support	Minimum of 2 Hours	Online or Live instruction – Forms	None	Frank Berger or qualified corporate staff	Corporate Office or online
TOTALS	Up to 40 hours¹				

Notes:

1. Time and content are subject to change without notice

During your operation of your franchised business we will:

- (1) Research new products, services and methods of doing business and provide you with information concerning developments of this research. (See Section 8.09 of the Franchise Agreement). We will offer new Products to you on reasonable terms in our discretion.
- (2) Review your You've Got Maids® Business periodically and may give you written reports.
- (3) Protect the Marks and Business System Legally.
- (4) Furnish any supplements and modifications to the Brand Standards Manuals/Maid University
- (5) Provide a list of the names and addresses of newly approved.
- (6) Make available to you, business and accounting procedures.
- (7) Provide, for a reasonable charge, emergency response services at your business location.
- (8) Offer you a reasonable amount of continuing advisory services by telephone during normal business hours. (See Sections 8.04 and 8.06 of the Franchise Agreement).
- (9) We may include information about your location on our Web site. (See Section 8.11 of the Franchise Agreement).
- (10) Provide advisory services by telephone or in writing (See Section 8.06 of the Franchise Agreement).
- (11) Conduct an annual meeting for all franchisees to discuss on-going changes in the industry, operational techniques, service developments, personnel training, bookkeeping, accounting, advertising programs and new service procedures. You are required to attend these conferences. You will not be required to pay a conference fee, but you must pay all of the travel and living expenses for you and any other employees who attend. These conferences will be held at our corporate headquarters or at another location chosen by us. We may provide other conferences from time to time, and you may be required to pay a conference fee for these additional conferences based upon the direct costs to us of retaining speakers and other direct expenses associated with the conference. We will not receive any net income from these conferences. (See Section 8.05 of the Franchise Agreement).
- (12) The formulation and implementation of marketing, advertising, and promotional programs using the advertising, and research data and advice as we may, periodically, develop for use in your market. We may use both outside advertising and marketing agencies and internal staff to create advertising. You may develop advertising materials for your own use, at your own cost. We must approve the advertising materials in advance and in writing within fifteen days from receipt. We reserve the right to utilize advertising developed by you for the use of all Franchisees without any payment or other compensation to you. (See Section 9.03 of the Franchise Agreement).

- (13) There are no restrictions on your advertising; except that you may not advertise independently on the World Wide Web or outside your territory and that you advertising must be approved by us as stated above.

Computer Systems

The minimum computer specifications you will need for a standalone computer including: a recommended processor 2.2 Ghz Dual or Quad Core CPU or greater, with a minimum of 4GB of Ram and a Hard Drive at least 40+ GB with recommended dual 19+ monitors (1280 x 1024 or greater resolution.) Professional operating system (or more recent windows Business Edition OS), 2016 Microsoft Office 365 (Word, Excel, PowerPoint) antivirus software (including email protection) firewall - software and hardware (if applicable), and local and remote internet based backup facility. methods remote internet based backup facility. You will also need a color monitor, uninterruptible power supply (UPS), laser printer, and high speed internet access (cable/DSL/T1), where available. The cost of purchasing the computer system is approximately \$600-\$1,200. We reserve the right to specify computer hardware or software and to specify other computer-related standards in the future. You must have CABLE or DSL access to the Internet that provides at a minimum of 1.5 Mbps up and down. Mbps stands for *millions of bits per second* or *megabits per second* and is a measure of bandwidth. We reserve the right to market and sell our services over the Internet. There are no specifications regarding required maintenance, updating or upgrading your computer system.

Licensing of the management software we specify is required. When you sign the Franchise Agreement, you must also sign the Software License Agreement to license the software specified by us. The Software License Fee will represent approximately 0-4% of your total purchases in connection with the establishment of your business. It will represent between 0.1 and 1% of your ongoing expenses. There are no annual costs associated with the maintenance, updating, upgrading of the Computer System.

You must use the management software we specify , which at this time is comprised of our customized configuration of third-party management software, designed to manage the majority of the business functions of your Franchise, including customer servicing, leads tracking, scheduling, payroll, productivity reports, and data consolidation. By using our proprietary configuration of the management software, you will have access to the following features:

- Estimate and Sales Control
 - o Estimate creation, tracking, and reporting
 - o Commission calculation
 - o Call center quoting and management
 - o Instant job creation directly from estimates
- Customer Relationship Management and Data Storage
 - o Customer information
 - o Billing history
 - o Job activity
 - o Customer satisfaction tracking
 - o Full history notes
 - o Multiple service locations
 - o Document linking

- Internal Task Management
- Project Management
- Job Management
 - o Web and mobile access
 - o Simple job editing and closing
- Scheduling Tools
 - o Scheduling assistant
 - o Capacity management
 - o Manage recurring jobs
 - o Dispatch board
 - o Work orders and route sheets
 - o Customizable calendar views
- Sales, Business and Marketing Tracking and Reporting
 - o Out of the box and customized reports, including revenue and marketing reports
 - o Marketing module
- Service Contract Sales and Management
- On-Site Equipment Tracking
- Employee Management
 - o Payroll
 - o Personnel file
 - o Document linking
 - o Security
 - o Audit trails
- Accounting
 - o Credit card processing
 - o Invoicing
 - o QuickBooks integration
 - o Statements and accounts receivable
 - o Bank Deposit Management

YGM will remote-access the software to collect either daily or weekly business reports, cash summaries and a dynamic customer database. We will have access to this information via internet 24/7. However, we will be restricted to the information relating to your location. YGM has the contractual right to poll the necessary data from your software but, YGM will not have the right to access data on your computer and does not have the ability to access it independently.

Although you have no contractual obligation to upgrade your hardware or software, it is to your advantage to keep your systems up to date so that they function and support your operation in an optimal manner. You will be required to pay all fees associated with upgrading your hardware or software if you desire. The annual cost

required to maintain, upgrade or update your hardware or software will vary depending on the maintenance, upgrade or update you require.

You are solely responsible for protecting yourself from viruses, computer hackers, and other communications and computer-related problems, and you may not sue us for any harm caused by such computer-related problems. You must also take reasonable steps to verify that any person or entity upon whom you rely is reasonably protected. This may include establishing firewalls, access code protection, anti-virus systems, and use of backup systems. These are at your sole cost and expense.

Advertising Programs

There are no franchise advertising councils or advertising cooperatives. However, we may form, change or dissolve them as we deem fit.

Local

You must conduct your own marketing, advertising, and promotion programs on a local basis as an individual business, as a member of a cooperative or by local advertising agencies hired by you. Except for the advertising materials which we provide to you, we must approve, in writing, all concepts, materials or media which you propose for any local advertising or marketing before you use in your advertising. You agree to spend \$.55 to \$.95 per Qualified Household in your exclusive Protected Territory for approved advertising and promotion each year during the term of this agreement (See Item 6 & 8). We are not required to spend any amount on advertising in your area or territory.

National

The current national brand fund ("**National Brand Fund**") is \$75 per week with contributions beginning the first billing cycle after franchise agreement is signed. All company-owned YGM housekeeping businesses will be required to contribute to the National Brand Fund on the same basis as Franchisees. We will use the National Brand Fund for local, regional, national, or international advertising or marketing, development, and maintenance of any Internet or e-commerce programs, related expenses, and any media or agency costs. YGM will not derive income from the fund, but we may reimburse our administrative expenses incurred in administering the National Brand Fund. We may also use the funds to offset or partially rebate the franchisee local media and printing expenses. Advertising expenditures may or may not be proportionate to your contributions or provide direct benefit to you or any other Franchisee. We will spend the National Brand Fund in our discretion, and we have no fiduciary duty to you regarding the National Brand Fund. In the last fiscal year ending 2019, 100% of the National Brand Fund was invested in advertising and marketing to drive traffic to local offices, including but not limited to website development, ad creation, video creation, graphic art, social media, and blogging. We will maintain the National Brand Fund contributions in a separate account from the general operating funds and we will not use them for any of our general operating costs. We may accumulate these funds, and the balance may be carried over to subsequent years. If the National Brand Fund operates at a deficit or requires additional funds at any time, we reserve the right to loan such funds to the National Brand Fund on any terms we determine. An unaudited annual financial statement of the National Brand Fund will be prepared within 120 days of the close of our fiscal year and will be available to any Franchisee upon request. Any advertising funds not spent in the fiscal year in which they accrue will be carried over to the next year. If you are in default on any of your obligations to us or the National Brand Fund, you will have no rights with respect to the National Brand Fund and we may deny access to any and all programs or materials created by and benefits of the National Brand Fund.

Schedule for Opening

It is estimated that the length of time between the signing of the Franchise Agreement and payment of any consideration for the Franchise, and the opening of your Business is 60 - 90 days. Factors affecting this length of time include financing arrangements, delivery of automobiles, property lease terms, normal business startup considerations, and scheduling and completion of the training program.

ITEM 12. TERRITORY

You will be given the exclusive rights to provide house cleaning services within a Protected Territory. This Protected Territory is a unique geographic area that will be defined by zip codes, census tracts, streets, highways or rivers. Each Protected Territory will be comprised of "Qualified Households" at the time you are awarded the franchise.

A Qualified Household is a household with a combined annual household income over \$75,000. The minimum number of Qualified Households in your Protected Territory is 20,000; the maximum allowed is 80,000. You will pay a Protected Territory fee of \$0.69 per Qualified Household, due at the time you sign the Franchise Agreement. For example, if your Protected Territory included 20,000 Qualified Households, you would remit to us a Protected Territory Fee of \$13,800 (\$0.69 multiplied by 20,000). Exhibit "A" to your Franchise Agreement will provide you with a detailed visual and written description of your Protected Territory.

While you do not have the automatic right to purchase additional Qualified Households, you may purchase up to an additional 80,000 with our written permission, which may be withheld in our sole discretion. Currently the cost of each additional Qualified Household is \$0.69.

You will be the only person we authorize to use our System, which includes our Marks, in the Protected Territory. You will not be allowed to actively market to or advertise in another franchisee's Protected Territory. With our permission, which we may withdraw at any time, you may perform services for customers geographically located outside of your territory so long as the customer is not geographically located within a territory assigned to another franchisee or affiliate of ours and you pay royalty for such customers. If you service a customer outside of the Territory who is not in the territory of another franchisee, but we later include that territory in the Protected Territory of another franchisee, you have to relinquish that customer to the franchisee that has the rights to that Protected Territory.

YGM or our affiliates will not operate, through our current trademarks or different trademarks, any YGM housekeeping businesses or grant franchises for a similar or competitive maid service business within your Protected Territory without your written permission, but it has the right to do so anywhere outside your Territory. If, however, you fail to cure a breach of your Franchise Agreement after we give you written notice of the breach or if we terminate your Franchise Agreement, then we may, or we may grant others the right to, without your permission, offer You've Got Maids® services or any service similar to, or competitive with, those services offered by You've Got Maids®, within what was your Protected Territory. You are not allowed to sell any products or services through any such alternative means of distribution, whether within the territory or otherwise.

Your Protected Territory does not extend to, and you may not advertise independently on, the Internet or World Wide Web. We, or our affiliate, will maintain a You've Got Maids® Website which will include information regarding your housekeeping business, so long as you are not in default under the Franchise Agreement. You are not allowed to have your own web site (or portion of a web site, or landing page, or

blog) relating to the Franchised Business or Master Franchise Business. You may not list your Franchised Business with any Internet directories, unless you have our written consent.

You do not receive the right to acquire additional franchises in any contiguous area by this agreement alone. Each Franchise Agreement is a separate and distinct transaction between you and us. We intend to develop a strong system of multi-unit owners. You are encouraged to purchase franchise rights to operate additional locations outside your original Protected Territory.

We reserve the right, among others:

- (1) to own, franchise, or operate housekeeping businesses at any location outside of your Protected Territory regardless of the proximity to your housekeeping business;
- (2) to use the Marks and the System to sell any services, similar to those which you will sell, through any alternative channels of distribution outside of the Protected Territory. We exclusively reserve the Internet as a channel of distribution for us, and you may not independently market on the Internet or conduct e-commerce;
- (3) to purchase or be purchased by, or merge or combine with, any businesses, including a business that competes directly with your housekeeping business, wherever located.

Upon written notice to us, we will consider your request to expand your territory to the size to be determined by us based on the following conditions:

- (1) You must be achieving market penetration in your current territory at or above the 50th percentile of the Franchise network. This will be based on research completed in conjunction with a third party demographic company.
- (2) You must be in good standing with a consistent record of compliance reporting weekly key performance indicator data and operating your office within YGM Standards.
- (3) Your ability to market and service the new expansion area. A strong, developed organization, demonstrated ability to develop a market, and the financial capability to market and support the expanded area are important. Prior to receiving approval from the home office, you must submit business and marketing plans which shows the ability to effectively market and service both your current area and expanded area.

ITEM 13. TRADEMARKS

We grant you the right to operate a business under our Marks, including the name “You’ve Got Maids®.” You may also use our other current or future Marks as we may designate to operate your Business. You must indicate, as required in the Franchise Agreement and specified in the Manual, that you are an independent operator of the housekeeping business and shall use the appropriate trademark and copyright marks as indicated by us.

The following trademark, service marks, trade names, logotypes, or other commercial symbols are registered with the United States Patent and Trademark Office (“USPTO”) and the registrations are on the principal register (the “Registered Marks”):

TRADEMARK	REGISTRATION NUMBER	REGISTRATION DATE
You've Got Maids®	4,244,390	November 20, 2012

All required affidavits have been filed for the registered trademarks. We intend to renew the registrations and file all appropriate affidavits for the marks at the times required by law.

In addition, we have applied to register the following trademarks on the Principal Register of the USPTO:

TRADEMARK	SERIAL NUMBER	APPLICATION DATE
	88798533	February 14, 2020

We do not have a federal registration for the above trademark. Therefore, this trademark does not have many legal benefits and rights as a federally registered trademark. If our right to use this trademark is challenged, you may have to change to an alternative trademark which may increase your expenses.

You must use all trade names, trademarks, service marks, logotypes and commercial symbols in full compliance with rules established by the Company. You are prohibited from using any name or mark as part of your corporate name or with a prefix, suffix or from modifying words, terms, designs or symbols which may form a part of any of our Marks. In addition, you may not use any of our Marks in connection with the sale of any unauthorized products or services or in any other manner not explicitly authorized by us in writing.

On 11/03/2006 the State of Florida granted a state registration number for the You've Got Maids® trademark as serial number T06000001440.

There are no presently effective determinations of the Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of this state or any court except Florida, nor are there any pending interference, opposition or cancellation proceedings or any pending material litigation involving the Marks which are relevant to the use of any of the Marks in any state.

If there is any infringement of, or challenge to, your use of any of the Marks, you are required to immediately notify us and we will take such action as we deem appropriate in our sole discretion.

If we determine, in our sole discretion, that it is advisable to modify or discontinue the use of any of the Marks and/or it is advisable to use one or more additional trademarks, service marks, logo types or other commercial symbols, you will be obligated to do so, and we will be under no obligation to reimburse you for any of your costs in complying with this obligation.

You must not directly or indirectly contest our right to use the Marks, or our trade secrets or techniques.

We know of no infringing uses of any of the Marks that could materially affect your use of the Marks in this state or any other state in which the housekeeping business is to be located.

We are not required to defend you against any claim of infringement, unfair competition or any other similar claim respecting your use of the Marks, nor are we obligated to indemnify you or reimburse you for any damages for which you are held liable in connection with any such claim, nor are we obligated to reimburse you for any court costs or attorneys' fees incurred by you in the defense of any such claim.

ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Copyrights

Although we have not applied for copyright registrations, we claim copyrights for our advertising materials, Brand Standards Manuals,/Maid University and other written materials. We will protect your right to use copyrighted materials. There are not administrative or legal proceedings or determinations that are likely to adversely affect your use of copyrighted materials, and there are no agreements in effect limiting our right to use or license the use of copyrighted materials.

To our knowledge, there are no potentially infringing uses of copyrighted materials which could materially affect your use of these materials. You should promptly notify us if you learn of any unauthorized use of copyrighted or proprietary materials, and we will take the actions that we determine are appropriate. If anyone establishes that its rights to these materials are superior to ours, you must modify or discontinue your use of these materials as we require.

Confidential Information

You must keep confidential our Brand Standard Manuals/Maid University , and supplements and other manuals or written materials and videos (including those on computer disk or our intranet) used in your YGM Business. The Brand Standard Manuals/Maid University contain information regarding the Business System. We consider this information a trade secret and extremely confidential. You must use all reasonable means to keep this information confidential and prevent any unauthorized copy, duplication, record or reproduction of this information. You must return our Brand Standards Manual/Maids University, any supplements and any other manuals or written materials (including those on computer disk or our intranet) to us when new manuals are issued and when you are no longer a YGM franchise owner. Your employees must sign confidentiality agreements which will require them to keep confidential, both during and after employment, all information we designated as confidential and proprietary.

Patents

No patents are material to a You've Got Maids® franchise.

However, you must operate your YGM in accordance with our standards, specifications, policies and procedures as set forth in the Brand Standards Manual or as otherwise communicated to you. Updates to your Brand Standards Manual/Maid University are generally furnished as required in the form of news bulletins. The Brand Standards Manual/Maid University is described in Item 11. We have not filed an application for copyright registration of the Brand Standards Manual/Maid University; however, we claim a copyright and assert that the information in the Brand Standards Manual/Maid University is proprietary. You must treat the information contained in this Brand Standards Manual/Maid University and any other manuals or supplemental materials supplied by us as confidential. The Brand Standards Manual/Maid University is our property and you may not duplicate, copy, disclose or disseminate the contents of the Brand Standards Manual/Maid University at any time, without our prior written consent. We have the right to modify or supplement the Brand Standards Manual/Maid University upon notice or delivery to you. You must keep the Brand Standards Manual/Maid University current at all times, and upon the termination or non-renewal of your franchise return all Brand Standards Manual/Maid University to us.

Information disclosed to you and your employees concerning the development and operation of YGM Franchised Business includes valuable proprietary information and trade secrets, is considered our property and may be used by you only as provided in the Franchise Agreement. You may not divulge or use any confidential information concerning our methods or procedures in an unauthorized manner during or after the term of the Franchise Agreement. All employees to whom the information is made available shall be informed of this obligation of confidentiality.

Upon our request, each manager and any other employee who has access to any confidential information must sign a written agreement (on our standard form) imposing an obligation of confidentiality regarding the Brand Standards Manual/Maid University or other confidential information. If you are a corporation, limited liability company, limited partnership or other entity, we may require your shareholders, members, partners and owners to sign a similar written agreement.

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

We generally grant franchises only to individuals who are looking for an active, rather than a passive, investment. You must directly supervise the Franchised Business. You may hire a manager or a management team to assist you as you deem appropriate. We have the right to approve any manager you hire before the manager assumes management responsibility for the Franchised Business. We advise that all senior managers of your business attend one of our Corporate Office Training classes. You must inform us immediately when any manager leaves your employment. You must at all times faithfully, honestly, and diligently perform your contractual obligations under the Franchise Agreement. You must designate a managing owner (the "Managing Owner") who will be our primary contact with the Franchised Business. The Managing Owner will continuously exert his/her full-time best efforts to manage, promote and enhance your You've Got Maids® franchised business. The Managing Owner will not engage in any other business or activity that conflicts with your obligations to operate the Franchised Business on a full-time basis.

You sign the Franchise Agreement in your individual capacity. You may assign the Franchise Agreement to a corporation, provided the corporation conducts no business other than the Franchised Business, and further provided that you actively manage the corporation and control the majority of its equity and voting power. All

obligations of confidentiality and noncompetition under the Franchise Agreement are your personal obligations. All issued and outstanding share certificates of your company must bear a legend stating that you will not transfer, assign, or sell any shares without our approval. If you assign your Franchised Business under the Corporate Assignment Agreement, the corporation may hire a manager or management team to supervise the day-to-day operations of the Franchised Business, subject to our requirements regarding the employment of managers. Your managers are not required to have an equity interest in your corporation or in the Franchised Business.

If the franchisee is a legal entity then you and your spouse must personally guarantee all of the franchisees' obligations to us as stated in the Franchise Agreement. You and your spouse must also personally guarantee in writing that during the term of the Franchise Agreement, you will not participate in any business that is in any way similar to or competitive with the You've Got Maids® Business anywhere in the USA, and that, for 24 months after the termination, transfer or expiration of the Franchise Agreement, you and your spouse will not participate in any similar or competitive business inside or within seventy-five (75) miles from the boundary of the Franchisee's Protected Territory defined in Exhibit A, or inside or within seventy-five (75) miles from the boundary of any franchised, Franchisor-owned or affiliated company-owned territory. As a result, you will not have the right to serve any Customers that you obtain during the term of the Franchise Agreement for a period of at least 24 months after termination, transfer or expiration of the Franchise Agreement.

All employees who will have access to the Brand Standards Manual/Maid University must sign a written agreement to maintain confidentiality of trade secrets.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and provide all of the services that we periodically require for You've Got Maids® franchises. You may not perform any services that we have not authorized. Our System Standards may regulate required or authorized services and service categories and supplies.

There are no limits on our right to change, periodically, required and/or authorized services and service categories, and we may do so at our discretion.

The Company may also designate some optional services for qualified franchises. If these services are offered, you will have to comply with other requirements, including training, marketing, and insurance, before YGM will allow you to offer these optional services.

You may not perform services for Customers geographically located within another franchisee's Protected Territory (Section 4 of the Franchise Agreement) without our express, written approval. If we approve you to service an area outside of your Protected Territory or award a franchise to a third party whose Protected Territory includes Customers that you have been servicing, all information regarding the Customers that you have been servicing must be immediately transferred to us. In addition, you will immediately discontinue all solicitations of Customers in the area and will refer any requests for service to either us or to the franchise owner who has purchased the Protected Territory. You will receive no compensation for cessation of service or information delivery and failure to comply with our written notice requiring Customer transfer can result in termination of the Franchised Business.

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP

	Provision	Section in Franchise or Other Agreement	Summary For Franchise Agreement
A	Length of the franchise term	Section 3;	10 years from date of Execution of Agreement. California franchisees 20 years from the date of Execution of the Franchise Agreement.
B	Renewal or extension of term	Section 3	If you are in good standing you can add one successive period of ten (10) years of the then-current standard Franchise Agreement.
C	Requirements for you to renew or extend	Section 3	Full compliance with the agreement during initial term, give us notice, sign a new franchise agreement, pay a renewal fee, and sign a release. Your new agreement may have materially different terms and conditions than your original contract, but the boundaries of the Territory will remain the same. The royalties and other fees may increase but they will be no greater than the royalties and other fees that we then impose on similarly situated renewing franchisees.
D	Termination by you	Section 13.01	Franchisee may terminate if we breach any material provision of the Franchise Agreement. After notice and opportunity to cure.
E	Termination by us with cause	Section 13.02	We can terminate if you commit any one of several violations.
F	Termination by us without cause	Not Applicable	Not Applicable
G	"Cause" defined - defaults which can be cured	Section 13.02(a)	10 days to cure monetary defaults; 20 days to correct financial problems; 30 days for breach of certain provision of agreement; 60 days to assign franchise after death of franchisee; 2 days for failure to actively operate franchise or for operating in unsafe manner; 3 days for selling or using unauthorized products; and prompt response to satisfy customer complaints.

H	"Cause" defined - defaults which cannot be cured	Section 13.02(b)	Non-curable defaults include your conviction of any law relating to your You've Got Maids® Business or a felony; material misrepresentation or omissions by you; failure to complete initial training within 6 months from the date you execute the Franchise Agreement; interference with our inspections rights; failure to provide us, on a timely basis, with any report, statement or return we require; you fail to allow us electronic access to your data; understating Royalty by 5% or more; failure to cease servicing Customers outside of your Territory; failure to maintain insurance; failure to transfer on death or disability; violation of any of the transfer provisions; dishonest or unethical behavior; unauthorized use or disclosure of the Manuals or confidential information; bankruptcy; you are deemed insolvent; appointment of receiver; failure to comply with modifications to System Standards; failure to comply with any condition, warranty or certification; repeated defaults even if cured; you abandon your YGM Business; trademark misuses or your conduct material impairs the Marks or Business System and you fail to correct your breach within 24 hours.
I	Your obligations on termination/nonrenewal	Sections 13.03, 13.04, 13.05 and 13.06	You must cease to be a You've Got Maids® franchisee and cease to operate under the Business System; pay all sums and fees you owe us; return to us the Brand Standards Manual/Maid University and all trade secrets and confidential material, equipment and other property; delivery of all Customers information; inform your suppliers that you are no longer a You've Got Maids® franchisee; cease to use in advertising in any manner at all, the name You've Got Maids®, then Marks, any methods, procedures or techniques associated with the Business System or the Marks and remove all trade dress and other indications of operation under the Business System from your automobiles; and transfer all rights to telephone numbers and directory listing to us.
J	Assignment of contract by YGM	Section 14	No restriction on our right to
K	"Transfer" by you - definition	Section 14.03	Includes transfer or assignment of the Franchise Agreement, the Franchise, the Franchised Business or any part thereof.

L	YGM approval of transfer by Franchisee	Section 14.04-14.06	We have the right to approve all transfers if specified conditions are met, but will not unreasonably withhold approval.
M	Conditions of approval of transfer	Section 14.04	You must comply with our right of first refusal; pay all monies owed to YGM prior to the transfer; complete a written agreement between you and us agreeing to observe all post-term obligations; transferee does not and will not participate in any business that is competitive with a You've Got Maids® Business; transferee meets our standards; transferee signs our current Franchise Agreement; transferee pays us the Training Fee; Transferee complete corporate training program; and you pay the transfer fee; and you execute a General Release.
N	YGM's right of first refusal to acquire your Business.	Section 14.07	Before transferring your interest in the Franchise Agreement, you must first offer us the right to purchase the interest on the same terms and conditions in any bona fide offer; we must respond within 15 days of receiving your offer. If we begin negotiations to purchase your You've Got Maids® Business or Business Assets, you must continue negotiating until we have agreed in writing that negotiations have terminated.
O	YGM's option to purchase your Business	Section 14.07	We may purchase your inventory and equipment at fair market value if Franchise Agreement expires, or is terminated for any reason.
P	Your death or disability	Section 14.06	If you are an individual, your Franchise Agreement may be transferred to your beneficiary without first being offered to us or paying us a transfer fee provided that your heir would otherwise qualify as an assignee.
Q	Non-competition covenants during the term of franchise	Section 15.01	No involvement in similar or competing business anywhere in U.S.A
R	Non-competition covenants after the franchise is terminated or expires	Section 15.01	You may not engage or be involved in a similar or competing business for 24 months inside or within 75miles from the boundary of your Protected Territory as defined in Exhibit A or inside or within seventy-five (75) miles from the boundary of any franchised, Franchisor-owned or affiliated company-owned territory.
S	Modification of agreement	Sections 7.04, 8.09	No modifications generally but Manual and System Standards are subject to change.

T	Integration/merger clause	Section 18.01	Only the terms of the Franchise Agreement are binding (Subject to state law). Any representations or promises made outside the disclosure document and franchise agreement may not be enforceable.
U	Dispute resolution by arbitration or mediation	Section 16	Arbitration at the offices of the American Arbitration Association closest to our then principal business address. (Subject to state franchise law).
V	Choice of forum	Section 18.09	Arbitration and litigation must be in Charleston County, South Carolina or at the county closest to our principal business address at the time of the action. (Subject to state franchise law).
W	Choice of law	Section 18.08	South Carolina law applies, without regard to its conflicts laws.

ITEM 18. PUBLIC FIGURES

We do not use any public figure to promote our franchise. You have no right to use the name of any public figure for purposes of promotional efforts, advertising, or endorsements, except with our prior written consent. No public figure has any investment in the System or us.

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATION

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) the 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.

We have based the financial performance representations upon the business records and weekly revenue data prepared by 31 out of 46 of total franchisees that reported and have compiled the financial performance representations to the extent possible in a manner consistent with YGM's weekly reporting standards. Written substantiation for financial performance representation will be made available to the prospective franchisee upon reasonable request.

The products and services offered by each franchisee, although essentially the same may vary slightly based on market conditions, demand for specific services, the requirements of customers, size of the territory and the sales skills utilized by the owners and employees of each individual franchise. Factors affecting the net profits may include, but are not limited to, the costs of labor, rent, insurance, utilities, supplies and automobile maintenance costs.

The sales prices you charge for each service may vary depending on several factors, including competition and territory.

TABLE 1. - Franchisee Performance by Quartile

The average sales per franchisee who owns one or more units that have been open for two or more years in 2019 were \$345,719.46, derived from 31 of 46 franchisees who own 64 of 87 franchise locations. Year over year sales growth for these franchisees in 2019 compared to 2018 was 12%. Following are segmented sales data for the above-mentioned locations:

Quartile	2019 Average Sales	2019 Median Sales	# Franchisees per Category	% of Franchisees in this Analysis	% (#) of Franchisees that met or exceeded Category average
Top Quartile	\$697,075	\$691,886	8	26%	50%
Second Quartile	\$369,204	\$359,985	8	26%	50%
Third Quartile	\$200,433	\$196,637	8	26%	50%
Fourth Quartile	\$83,372	\$82,854	7	23%	43%

TABLE 2. - Franchisee Performance by Organizational Structure

Of the 46 total You've Got Maids franchisees (87 territories) at the end of 2019, the table below represents the 31 franchisees (64 territories) who owned one or more locations that were open for 2 years or more at the end of 2019. Of those 31 franchisees, 16 franchisees (48 territories) reported having someone (other than the franchisee) employed or acting as an Office Manager; 15 franchisees (16 territories) did not utilize an Office Manager. Having an Office Manager is currently considered a best practice for all franchisees.

Category	2019 Highest Sales	2019 Average Sales	2019 Median Sales	2019 Lowest Sales	# Franchisees (Territories) per Category	% of Franchisees in this Analysis	% (#) of Franchisees that met or exceeded Category average
With Office Manager	\$849,064	\$533,140	\$496,606	\$319,334	16	50%	8
NO Office Manager	\$279,468	\$145,805	\$128,843	\$52,227	15	50%	6

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

This financial performance representation does not include costs of sales, operating expenses, or other costs or expenses that must be deducted from gross revenue or gross sales figures to obtain net income or profit.

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing branch, 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 Frank Berger, our CEO at 3015 Dunes West Boulevard, Suite 101, Mount Pleasant, South Carolina 29466, Telephone (843) 388-7887, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
SYSTEM-WIDE OUTLET SUMMARY FOR PERIOD ENDING DECEMBER 31, 2019

OUTLET TYPE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS AT THE END OF THE YEAR	NET CHANGE (+ or -)
Franchised	2017	59	74	+15
	2018	74	81	+7
	2019	81	87	+6
Company-Owned	2017	0	6	+6
	2018	6	10	+4
	2019	10	0	-10
Total Outlets	2017	59	80	+21
	2018	80	91	+11
	2019	91	87	-4

TABLE NO. 2
TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN FRANCHISOR or AN AFFILIATE) FOR PERIOD ENDING DECEMBER 31, 2019

STATE	YEAR	NUMBER OF TRANSFERS
Arizona	2017	1
	2018	1
	2019	3
California	2017	0
	2018	1
	2019	3
Colorado	2017	1
	2018	0
	2019	0
Florida	2017	1
	2018	0
	2019	0

Illinois	2017	1
	2018	0
	2019	0
Maryland	2017	0
	2018	2
	2019	0
Rhode Island	2017	1
	2018	0
	2019	0
South Carolina	2017	0
	2018	1
	2019	0
Tennessee	2017	0
	2018	0
	2019	0
Texas	2017	1
	2018	0
	2019	4
Virginia	2017	2
	2018	0
	2019	0
TOTAL	2017	8
	2018	5
	2019	10

TABLE NO. 3
STATUS OF FRANCHISED OUTLETS FOR PERIOD ENDING DECEMBER 31, 2019

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON- RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS OTHER REASONS	OUTLETS AT END OF THE YEAR
AZ	2017	3	0	0	0	0	0	3
	2018	3	2	0	0	0	0	5
	2019	5	4	0	0	0	0	9
CA	2017	4	5	0	0	0	0	9
	2018	9	3	0	0	0	0	12
	2019	12	2	0	0	0	3	11
CO	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	1	0	0

	2019	0	2	0	0	0	0	2
FL	2017	13	0	0	0	0	0	13
	2018	13	3	0	0	3	1	12
	2019	12	3	2	0	0	0	13
GA	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
IL	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
IN	2017	3	0	0	0	0	0	3
	2018	3	0	0	0	1	0	2
	2019	2	0	0	0	0	0	2
KS	2017	0	0	0	0	0	0	0
	2018	0	1	0	0	0	0	1
	2019	1	0	0	0	0	0	1
MA	2017	0	1	0	0	1	0	0
	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
MD	2017	0	2	0	0	0	0	2
	2018	2	0	0	0	0	0	2
	2019	2	0	0	0	0	0	2
MI	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
MN	2017	0	0	0	0	0	0	0
	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
MO	2017	10	0	0	0	0	0	10
	2018	10	1	0	0	0	0	11
	2019	11	0	0	0	0	0	11
NC	2017	2	2	0	0	0	0	4

	2018	4	1	0	0	0	0	5
	2019	5	0	0	0	0	1	4
NJ	2017	2	0	0	0	2	0	0
	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
NV	2017	0	2	0	0	0	0	2
	2018	2	0	0	0	0	0	2
	2019	2	1	0	0	0	0	3
NY	2017	1	0	0	0	0	0	1
	2018	1	1	0	0	0	0	2
	2019	2	0	0	0	0	1	1
OH	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	2	0	0	0	0	3
OR	2017	1	0	0	0	1	0	0
	2018	0	1	0	0	0	0	1
	2019	1	0	0	0	0	1	0
PA	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
RI	2017	1	0	0	0	0	0	1
	2018	1	0	0	0	0	1	0
	2019	0	0	0	0	0	0	0
SC	2017	4	0	0	0	1	0	3
	2018	3	0	0	0	0	1	2
	2019	2	0	0	0	0	0	2
TN	2017	1	0	0	0	1	0	0
	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
TX	2017	3	5	0	0	0	0	8
	2018	8	3	0	0	0	0	11
	2019	11	3	0	0	0	1	13

VA	2017	2	3	0	0	0	0	5
	2018	5	0	0	0	2	0	3
	2019	3	0	0	0	0	0	3
WA	2017	3	1	0	0	0	0	4
	2018	4	0	0	0	0	0	4
	2019	4	0	0	0	0	2	2
WI	2017	1	0	0	0	0	0	1
	2018	1	1	0	0	0	0	2
	2019	2	0	0	0	0	0	2
Total Outlets	2017	59	21	0	0	6	0	74
	2018	74	17	0	0	7	3	81
	2019	81	17	2	0	0	9	87

TABLE NO. 4

STATUS OF COMPANY-OWNED OUTLETS FOR PERIOD ENDING DECEMBER 31, 2019

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISEES	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEES	OUTLETS AT END OF THE YEAR
Total	2017	0	0	6	0	0	6
	2018	6	0	7	0	3	10
	2019	10	0	0	8	2	0

TABLE NO. 5

PROJECTED OPENINGS AS OF DECEMBER 31, 2019

STATE	Franchise Agreements Signed but Housekeeping Businesses Not Open	Projected Franchised New Housekeeping Businesses in the Next Fiscal Year	Projected Company Owned Openings in Next Fiscal Year
California	0	1	0
Louisiana	1	1	0
Texas	0	1	0
Wisconsin	1	1	0
Totals	2	4	0

Attached as Exhibit D, is a list of names, addresses and telephone numbers of all of our current franchisees. No Franchisees have signed confidentiality clauses in the last three years. Attached as Exhibit E is a list containing the name, city and state and the current business telephone number (or if unknown, the last known

home telephone number) of franchisees who have had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or have not communicated with us within ten weeks of the date of this Offering. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Exhibit I lists, to the extent known, the names, addresses, telephone numbers, e-mail address and Web address of any trademark-specific franchisee organization (if any) associated with the franchise system being offered which we have created, sponsored or endorsed.

Exhibit J lists the independent franchisee organizations that have asked to be included in this disclosure document.

ITEM 21. FINANCIAL STATEMENTS

Attached to the Disclosure Document as **Exhibit B** are our audited financial statements as of December 31, 2019, December 31, 2018 and December 31, 2017.

ITEM 22. CONTRACTS

The following agreements are in use in your state for the franchise offering described in the Disclosure Document:

Agreement	Exhibit to This Disclosure Document
Franchise Agreement with State Law Addendum	Exhibit C
Non-Disclosure and Non-Competition Agreement	Exhibit G
Confidentiality Agreement	Exhibit K

A copy of the current Franchise Agreement is attached to and form part of this document as Exhibit C which includes the following agreements:

1. Protected Territory
2. State Specific Agreements
3. Telephone Listing
4. Bank Account Debit Authorization
5. Software Agreement
6. Disclosure Acknowledgement Statement
7. General Release

Certain states may require amendment to the foregoing agreements. Such amendments are attached to the Franchise Agreement as Exhibit B.

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana,

Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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

ITEM 23. RECEIPTS

The last 2 pages of this Disclosure Document are a detachable document acknowledging that you received this Disclosure Document. You are required to sign each Receipt. If you are missing these Receipts, please contact us at this address or telephone number:

YGM Franchise, LLC
3015 Dunes West Boulevard, Suite 101
Mt. Pleasant, South Carolina 29466
(843) 388-7887 / franchise@youvegotmaids.com

Issuance Date: _____

California Effective Date: _____

EXHIBIT A: List of State Administrators & Agents Authorized to Receive Service of Process

State Administrators

We intend to register this Disclosure Document as a “franchise” in some or all of the following states, in accordance with the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in that state:

California	Department of Business Oversight 320 West 4th Street Suite 750 Los Angeles, CCA 90013 (213) 576-7500 or (866) ASK-CORP (866-275-2677)
Hawaii	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division 335 Merchant Street Suite 203 Honolulu, HI 96813 (808) 586-2722
Illinois	Office of the Attorney General Franchise Bureau 500 South Second Street Springfield, IL 62706 (217) 782-4465
Indiana	Indiana Securities Commissioner Indiana Securities Division Franchise Section 302 W. Washington Street Room E-111 Indianapolis, IN 46204 (317) 232-6681
Maryland	Office of the Attorney General Maryland Division of Securities 200 St. Paul Street Baltimore, MD 21202 (410) 576-6360
Michigan	Michigan Department of the Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117
Minnesota	Minnesota Department of Commerce Registration and Licensing Division

85 7th Place East Suite 280
St. Paul, MN 55101
(651) 539-1600

New York

New York State Department of Law
Bureau of Investor Protection and Securities
120 Broadway 23rd Floor
New York, NY 10271
(212) 416-8285

North Dakota

Office of Securities Commissioner
600 East Boulevard 5th Floor
Bismarck, ND 58505

Rhode Island

Department of Business Registration
Division of Securities
233 Richmond Street Suite 232
Providence, RI 02903
(401) 277-3048

South Dakota

South Dakota Department of Commerce and Consumer Regulation
Division of Securities
c/o 118 West Capitol Pierre, SD 57501
(605) 773-4013

Virginia

State Corporation Commission
Division of Securities and Retail Franchising
1300 E. Main Street 9th Floor
Richmond, VA 23219
(804) 371 9051

Washington

Securities Administrator
Department of Financial Institutions
Securities Division
150 Israel Rd. S.W.
Tumwater, Washington 98501
Mailing Address:
Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, WA 98507-9033
(360) 902-8760

Wisconsin

Wisconsin Securities Commission
Securities and Franchise Registration
101 East Wilson Street
Madison, WI 53703
(608) 266-3431

Agents Authorized to Receive Service of Process

Our agent in South Carolina is: Frank Berger
3015 Dunes West Boulevard; Suite 101
Mount Pleasant, South Carolina 29466

We intend to register this Disclosure Document as a franchise in some or all of the following states, in accordance with the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agent for service of process in those states:

California	California Commissioner of Business Oversight California Department of Business Oversight 320 West 4th Street, Suite 750 Los Angeles, California 90013-1105
Hawaii	Commissioner of Securities Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Suite 203 Honolulu, Hawaii 96813
Illinois	Illinois Attorney General 500 South Second Street Springfield, Illinois 62706
Indiana	Secretary of State of Indiana 201 Statehouse 200 West Washington Street Indianapolis, Indiana 46204
Maryland	Maryland Securities Commissioner 200 St. Paul Street, 20th Floor Baltimore, Maryland 21202-2020
Michigan	Michigan Department of Commerce Corporation and Securities Bureau 525 W. Ottawa 670 Law Building Lansing, Michigan 48913
Minnesota	Commissioner of Commerce of Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600
New York	New York Secretary of State

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

North Dakota	North Dakota Securities Commissioner State Capitol Bismarck, North Dakota 58505
Rhode Island	Director of Department of Business Regulation 233 Richmond Street Suite 232 Providence, Rhode Island 02903-4232
South Dakota	Director, Division of Securities Department of Commerce and Regulation 118 West Capitol Avenue Pierre, South Dakota 57501-2017
Virginia	Clerk of the State Corporation Commission 1300 East Main Street Richmond, Virginia 23219
Washington	Securities Administrator Washington Department of Financial Institutions 150 Israel Rd. S.W. Tumwater, Washington 98501 Mailing Address: Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033
Wisconsin	Wisconsin Commissioner of Securities 101 East Wilson Street Fourth Floor Madison, Wisconsin 53703



YGM FRANCHISE, LLC

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2019, 2018, and 2017

YGM FRANCHISE, LLC
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2019, 2018, and 2017

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CDM Financials, LLC

Certified Public Accountants, Business Advisors

INDEPENDENT AUDITORS' REPORT

To: The Board of Directors
YGM Franchise, LLC
Mount Pleasant, South Carolina

I have audited the accompanying financial statements of YGM Franchise, LLC, which comprise the balance sheet as of December 31, 2019, 2018 and 2017, and the related statements of operations, changes in owners' equity, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of YGM Franchise, LLC as of December 31, 2019, 2018 and 2017, 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.

Charlene D. Moultrie

Charlene D. Moultrie, CPA

CDM Financials, LLC

March 4, 2020

YGM FRANCHISE, LLC
Balance Sheet
DECEMBER 31, 2019, 2018, and 2017

ASSETS

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Cash	\$ 58,249	\$ 229,119	\$ 179,663
Fixed Assets, net	-	-	15,225
Investment - Marketable Securities	725,165	666,613	697,495
Total Assets	<u>\$ 783,414</u>	<u>\$ 895,732</u>	<u>\$ 892,383</u>

LIABILITIES AND EQUITY

Liabilities

Total Current Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
---------------------------	----------	----------	----------

Equity

Owner's Equity	95,484	95,484	\$ 95,484
Accumulated Adjustments to Marketable Securities	152,442	93,890	124,772
Retained Earnings	<u>535,488</u>	<u>706,358</u>	<u>672,127</u>
Total Equity	<u>783,414</u>	<u>895,732</u>	<u>892,383</u>
Total Liabilities and Equity	<u>\$ 783,414</u>	<u>\$ 895,732</u>	<u>\$ 892,383</u>

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

YGM FRANCHISE, LLC
Income Statement
For the year ending DECEMBER 31, 2019, 2018, and 2017

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Revenue			
Franchise Revenue	704,763	824,705	553,490
Franchise Sales	375,793	451,906	342,891
Total Revenue	<u>\$ 1,080,556</u>	<u>\$ 1,276,611</u>	<u>\$ 896,381</u>
Expense			
Salary Expense	222,188	180,827	135,728
Advertising	23,255	32,975	34,451
Internet and Computer	2,516	4,077	3,251
Rent	60,000	60,000	60,000
Utilities	7,744	8,932	9,993
Equipment and Supplies	13,158	12,450	12,381
Travel	9,473	15,324	14,745
Depreciation	-	15,225	23,807
Professional Fees	5,458	6,725	5,904
Business Registration	8,250	8,250	7,750
Insurance	31,909	15,283	16,418
Total Expenses	<u>\$ 383,951</u>	<u>\$ 360,068</u>	<u>\$ 324,428</u>
Net Income	<u><u>\$ 696,605</u></u>	<u><u>\$ 916,543</u></u>	<u><u>\$ 571,953</u></u>

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

YGM FRANCHISE, LLC
Statement of Retained Earnings
For the year ending DECEMBER 31, 2019, 2018, and 2017

Ending Retained Earnings, December 31, 2017	<u>\$ 672,127</u>
Current Year Net Income	916,543
Current Year Distributions	(882,312)
Ending Retained Earnings, December 31, 2018	<u>\$ 706,358</u>
Current Year Net Income	696,605
Current Year Distributions	(867,475)
Ending Retained Earnings, December 31, 2019	<u>\$ 535,488</u>

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

YGM FRANCHISE, LLC
Statement of Cash Flows
For the year ending DECEMBER 31, 2019, 2018, and 2017

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Operating Activities			
Net Income	696,605	916,543	571,953
Depreciation Expense	-	15,229	23,809
Change in Current Assets	-	-	(61,028)
Net Cash Provided by/ (Used for)			
Operating Activities	<u>696,605</u>	<u>931,772</u>	<u>534,734</u>
Investing Activities			
		-	-
Net Cash Used for Investing Activities	<u>-</u>	<u>-</u>	<u>-</u>
Financing Activities			
Owner Contributions	-	-	-
Owner Distributions	(867,475)	(882,312)	(467,995)
Net Cash Provided by /(Used for)			
Financing Activities	<u>(867,475)</u>	<u>(882,312)</u>	<u>(467,995)</u>
Net Change in Cash	(170,870)	49,460	66,739
Cash at Beginning of Period	229,119	179,659	112,924
Cash at End of Period	<u><u>\$ 58,249</u></u>	<u><u>\$ 229,119</u></u>	<u><u>\$ 179,663</u></u>

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

YGM FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING
DECEMBER 31, 2019, 2018, and 2017

Note 1 - Nature of Business

YGM Franchise, LLC is a franchisor established in 2007 as a limited liability corporation in the state of South Carolina. The company's franchise opportunities allow individuals to operate a maid service under the You've Got Maids name. This franchisor's income is derived from franchise sales and royalty fees received from franchisees.

These franchisees provide general building and home maintenance services to homeowner, renters and businesses. Initial franchise fees are \$6,995 for the first franchise with no additional fees for subsequent home cleaning offices. The estimated total investment, inclusive of this fee for startup, ranges from \$28,090 to \$59,509. Complete terms and fees are explained in the company's Franchise Circular.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The financial statements for YGM Franchise, LLC were prepared using the accrual basis of accounting. Under this method income is recorded when earned and expenses are recorded when incurred.

Reporting Period

For tax and reporting purposes, YGM Franchise, LLC operates on a calendar year consisting of a full twelve months beginning with January 1 and ending December 31.

Note 3 – Fixed Assets

Fixed assets are reported at cost and depreciated using the straight-line method based on the estimated useful life of the assets which range from three to seven years. At December 31, 2019, fixed assets consist of the following:

	2019
Equipment	\$44,778
Vehicles	68,696
Software	3,330
	116,804
Less accumulated depreciation	(116,804)
Fixed assets, net	\$ -

YGM FRANCHISE, LLC
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDING
DECEMBER 31, 2019, 2018, and 2017

Note 3 – Fixed Assets (continued) Depreciation expense for the year ending December 31, 2018, and 2017 was \$15,225, \$23,807 respectively. As of December 31, 2018, all assets have been fully depreciated.

Note 4 – Marketable Securities

Investments in marketable securities are classified as available-for-sale and are reported at fair market value as of December 31, 2019, 2018, and 2017.

Note 5 - Revenue Recognition The Company adopted ASU 2014-09 Revenue from Contracts with Customers and all subsequent amendments to the ASU (collectively, “ASU 606”) which creates a single framework for recognizing revenue from contracts with customers that fall within its scope. The Company’s services that fall within the scope of ASC 606 are presented within Franchise Sales. Accordingly, Franchise Sales are recognized when the Company satisfies all its performance obligations to the customer.

Note 6 - Advertising Expense YGM Franchise, LLC accounts for advertising expense in accordance with SOP 93-7 ‘Reporting of Advertising Cost’. Accordingly, advertising that does not provide a future benefit should be expensed as incurred. For December 31, 2019, 2018, and 2017 advertising expense was \$23,255, \$32,975 and \$34,451 respectively.

Note 7 - Provision for Income Taxes YGM Franchise, LLC has elected S Corporation status under the Internal Revenue Service code. Under this provision, all corporate income is passed through to its owners who are liable for paying income tax on the related income. Thus, no income tax provisions have been made at the corporate level.

Note 8 – Subsequent Events The company has evaluated subsequent events through the date which the financial statements were available to be issued, and no such events have occurred.



CDM Financials, LLC

Certified Public Accountants, Business Advisors

AUDITOR'S CONSENT

CDM Financials, LLC hereby consents to the use in the Franchise Disclosure Document issued by YGM Franchise, LLC on April 1, 2020, as it may be amended, of our report dated March 4, 2020 relating to the financial statements of YGM Franchise, LLC for the years ended December 31, 2019, 2018 and 2017.

Charlene D. Moultrie

Charlene D Moultrie, CPA
CDM Financials, LLC
March 4, 2020

EXHIBIT C: Franchise Agreement

**YGM FRANCHISE, LLC
FRANCHISE AGREEMENT**



Franchise Agreement Between

YGM Franchise, LLC

AND

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EXHIBIT J TO THE FRANCHISE AGREEMENT General Release	

THIS FRANCHISE AGREEMENT (“Agreement”) is made and entered into this ____ day of _____, 20____ (the “effective date”), by and between YGM FRANCHISE, LLC a South Carolina limited liability company, having its principal executive office at 3015 Dunes West Boulevard, Suite 101, Mount Pleasant, SC 29466 (referred to in this Agreement as “we”, “us”, or the “Company”) and _____, whose principal address executive office at _____ (referred to in this Agreement as “you”, “your”, “Franchisee”, or “Franchisee”).

1. DEFINITIONS

1.01 “Assets” means the franchised Business, including all inventories, supplies, furnishings, equipment, fixtures, land, buildings and improvements, and other tangible items.

1.02 “Business” means the right which is granted to Franchisee to operate a YGM as set forth in this Agreement.

1.03 “Business Records” means evidence of each business transaction, and all financial, marketing, and other operating aspects of the Business, and all evidence and records with respect to customers, employees, and other service professionals relating the Business including, without limitation, all databases in print, electronic or other form, including all names, addresses, phone numbers, e-mail addresses, customer purchase records, and all other records contained in the database, and all other records created and maintained by Franchisee in operation of the Business.

1.04 “Housekeeping Business” means the You’ve Got MAIDS which Franchisee is granted the right to operate in conformity with the requirements of this Agreement.

1.05 “Confidential Information” means all methods for establishing, operating and promoting the Business following the Franchisor’s distinctive business format, plans, methods, data, processes, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, Marks and information and know-how of the Franchisor and such other information as may be further developed periodically by the Franchisor.

1.06 “Gross Sales” means the total of all receipts derived from services performed or products sold at the housekeeping business, whether the receipts are evidenced by cash, credit, checks, gift certificates, scrip, coupons, services, property, or other means of exchange. “Gross Sales” shall exclude only sales tax receipts that Franchisee must by law collect from customers and that Franchisee pays to the government, promotional or discount coupons to the extent that Franchisee realizes no revenue, and employee receipt of services, if free, or any portion not paid for by an employee.

1.07 “Manual” means Franchisor’s Brand Standards manual, online training portal “Maid University” and other written materials, including information posted on Franchisor’s Web site and information sent to or accessed by Franchisee in print or electronic form, manuals, written procedures, memoranda and their supplements loaned to Franchisee by Franchisor.

1.08 “Marketing Fund” means the separate bank account used by Franchisor for the purposes specified in this Franchise Agreement. The Marketing Fund is not a trust or escrow account, and is managed by Franchisor in its sole discretion.

1.09 “Multi-Area Marketing Programs” means regional, national, or international programs designed to increase business, such as marketing to multi-area customers, Internet, shows, events, , directories, affinity marketing, vendor programs, and co-branding programs. Such programs may require Franchisee’s cooperation

and participation, including refraining from certain channels of marketing and distribution, and payment of commissions or referral fees. Franchisee must also adhere to maximum pricing to the extent permitted by law. All such programs are proprietary trade secrets of Franchisor.

1.10 “Premises” means the one location within the Protected Territory and as described in Exhibit A at which Franchisee may operate the franchised Business using the System.

1.11 “Protected Territory” means the territory described in Exhibit A to this Agreement, subject to any reservations or exceptions contained in this Agreement.

1.12 “Qualified Household” means households which have at least \$75,000 in average annual income as determined by the demographics software package employed to You’ve Got Maids.

1.13 “System” means, collectively, Franchisor’s valuable know how, information, trade secrets, methods, Manuals, standards, designs, methods of trademark usage, copyrightable works, products and service sources and specifications, proprietary software, confidential electronic and other communications, methods of Internet usage, marketing programs, and research and development connected with the operation and promotion of the franchised Business, as modified by Franchisor at any time.

1.14 “Trade Secret” is the whole or any portion of know-how, knowledge, methods, specifications, processes, procedures, and improvements regarding the System that is valuable and secret in the sense that it is not generally known to competitors of Franchisor.

1.15 “Transfer” means to voluntarily or involuntarily transfer, assign, sell, or encumber any interest in or ownership or control of, the franchised Business, substantial assets of the franchised Business, or of this Agreement.

1.16 “Marks” means Franchisor’s trade names, trademarks, service marks, logos, decor, trade dress, lay out, and commercial symbols, and similar and related words or symbols, now or in the future associated with Franchisor, the System or the franchised Business, whether or not they are registered, including, but not limited to, “YGM.”

2. GRANT OF FRANCHISE

2.01 Grant of License. Subject to the terms and conditions of this Agreement, Franchisor grants to Franchisee an exclusive license to operate a housekeeping business at the Premises, as designated in this Agreement and described in Section 4, using the System and the Marks for the term of this Agreement. Franchisee may use the Marks and System only in accordance with the terms and conditions of this Agreement.

2.02 Modification of System. Franchisor reserves the right to periodically change, improve, or further develop the System, or any part of the System. Franchisee must promptly accept and comply with any change to the System and make any reasonable expenditure as necessary to comply.

3. TERM AND RENEWALS

3.01 Term of Agreement. This Agreement begins on the date executed by both parties, and will continue for a period of ten (10) years, unless earlier terminated as provided under this Agreement. For Franchisees in the

State of California the term will begin on the date executed by both parties, and will continue for a period of twenty (20) years, unless earlier terminated as provided under this Agreement.

3.02 Rights Upon Expiration. At the end of the term of this Agreement, Franchisee may renew its license for one successive period of ten (10) years, provided Franchisor does not exercise its rights of refusal as set forth below.

3.03 Right of Refusal to Renew. Franchisor may refuse, in Franchisor's sole discretion, to renew Franchisee's license if Franchisee:

- a) fails to remedy, in the time frame set forth in this Agreement, any breach of this Agreement specified by Franchisor in a written notice;
- b) has committed two (2) or more material breaches of this Agreement in the preceding twenty- four (24) months prior to expiration;
- c) fails to give notice of Franchisee's intent to renew at least six (6) months, but no more than twelve (12) months, prior to the expiration of this Agreement. Failure to give timely notice will be considered an election not to renew this Agreement; or
- d) is not current in payment obligations to Franchisor or its subsidiaries and affiliates and to trade creditors, landlords, or mortgage holders at the time Franchisee delivers its notice of renewal or on the date this Agreement is scheduled to expire.

3.04 Renewal Agreement. Franchisee must execute a renewal franchise agreement and all other legal agreements in Franchisor's then-current form for new franchisees. These agreements may vary in material aspects from this Agreement, including, but not limited to, higher royalty and advertising fees. Franchisee must also make capital expenditures that are reasonably required for the renovation and modernization of the housekeeping business, signs, automobiles, or any other required equipment to reflect the then-current image of Franchisor.

3.05 Renewal Fee. Upon signing a renewal franchise agreement, Franchisee will not be required to pay another Initial Franchise Fee, but will be required to pay the then-current renewal fee.

4. TERRITORY

4.01 Location. Franchisee may operate the franchised Business only at the Premises and may not relocate the Premises without Franchisor's prior written approval, which may be withheld for any reason.

4.02 Protected Territory. During the term of this Agreement and any extensions, neither Franchisor nor its affiliates will own, operate or franchise a fixed location for the operation of any other YGM housekeeping business within your Protected Territory as designated in this Agreement. Franchisee will also have the right to service any persons residing in the Protected Territory, regardless of the method of sales, subject to Franchisor's express reservation of rights set forth in Section 4.04. Once established, the boundaries of Franchisee's Protected Territory will not be adjusted without Franchisor's written consent regardless of whether the population of Franchisee's Protected Territory increases or decreases over time.

4.03 Soliciting Outside the Protected Territory. Subject to the requirements of Sections 9.01 and 9.02, Franchisee may not solicit or advertise or provide cleaning services to people who reside outside of their Protected Territory without the express written permission of Franchisor.

4.04 Reservation of Rights. Franchisor reserves the rights, among others:

- a) to own, franchise, or operate housekeeping businesses at any location outside of the Protected Territory, regardless of the proximity to the Premises;
- b) to use the Marks and System to sell any services, similar to those which Franchisee will sell through alternative channels of distribution within or outside of the Protected Territory, other than through the business at the Premises. The Internet is a channel of distribution reserved exclusively to Franchisor, and Franchisee may not independently market on the Internet or conduct e-commerce;
- c) to purchase or be purchased by, or merge or combine with, any businesses wherever located, including a business that competes directly with Franchisee's business; and
- d) to implement multi-area marketing programs which may allow Franchisor or others to solicit or sell to clients anywhere, as set forth in Section 9. Franchisee will still have the option of servicing any customer within its Protected Territory. Franchisor also reserves the right to issue mandatory policies to coordinate such multi-area marketing programs.

5. FEES AND ROYALTIES

5.01 Payment of Fees and Royalties. All payments required under this Section are imposed by and payable to Franchisor or its affiliates, and are non-refundable except as expressly provided below. All payments must be made by any method Franchisor reasonably specifies, including check, cash, certified check, money order, credit or debit card, automatic pre-authorized payment plan, electronic funds transfer, or payment in advance. Franchisee must sign an Authorization for Electronic Withdrawal, and Franchisor may require Franchisee to submit any payments electronically. All payments to Franchisor and dollar amounts stated in this Agreement are in U.S. dollars unless otherwise expressed. Franchisor will not require Franchisee to deposit all Franchisee's revenue into an account that Franchisor controls, or from which withdrawals may be made only with Franchisor's consent, except to secure a loan or financing arrangement by Franchisor.

5.02 Initial Franchise Fee. Franchisee must pay an initial franchise fee ("Initial Franchise Fee") upon execution of this Agreement. The Initial Franchise Fee is \$6,999.00 plus \$0.69 for each qualified household within the Protected Territory and is due upon execution of this Agreement. Franchisee must purchase a minimum of 20,000 Qualified Households at \$0.69 per Qualified Household. All payments required under this Section are imposed by and payable to Franchisor or its affiliates and are fully earned upon payment and non-refundable under any circumstances. However, if the Franchise Agreement is terminated because the Franchisee or the Franchisee's manager failed to successfully complete our training program, or is deemed by the Franchisor to be incapable of doing so, within 60 days of the Date of Execution, the Franchisor may, in its sole discretion, refund a portion of the Initial Franchise Fee after deducting all reasonable administrative and out-of-pocket expenses. These expenses will include but are not limited to the Franchisor's executives' and employees' salaries, training costs, salespersons' commissions, brokers' fees, attorneys' fees, accountants' fees and travel expenses. Otherwise, all fees are considered fully earned and non-refundable.

5.03 Technology Fee. Franchisee must pay an initial technology fee ("Initial Technology Fee") upon execution of this Agreement. The Initial Technology Fee is \$595. The Annual Technology Fee is \$595. The Initial Technology Fee is fully earned upon payment, and is non-refundable under any circumstances. However, if your Franchise Agreement is terminated because you or your manager failed to successfully complete our training

program within 60 days of signing the Franchise Agreement, or is deemed by the Franchisor to be incapable of doing so, within 60 days of the Date of Execution, we may, in our sole discretion, refund your Initial Technology Fee after deducting all of our reasonable administrative and out-of-pocket expenses. These expenses will include our executives' and employees' salaries, training costs, salespersons' commissions, attorneys' fees, accountants' fees and travel expenses.

5.04 Royalty Fee. Franchisee must pay to Franchisor a weekly royalty in an amount as indicated below of Gross Sales for the preceding reporting period. The royalty payment is due to Franchisor, without notice from Franchisor, each Tuesday for Gross Sales achieved during the preceding week. Royalties must be reported in a form specified by Franchisor. Based on your weekly gross sales as indicated below:

Weekly Gross Sales	Royalty %
\$0 - \$ 17,999	5.90%
\$18,000 - \$34,999	4.99%
\$35,000 - \$49,999	3.99%
Over \$50,000	2.99%

Minimum Royalty Fees. You must pay a minimum royalty fee. You will pay the greater of the weekly royalty outlined in Section 5.04 or the minimum royalty fee outlined in the table below.

Period from Date of Franchise Agreement	Minimum Weekly Performance Royalty Fees
Year 1	None
Year 2	\$90
Year 3	\$150
Year 4 - End	\$220

5.05 National Brand Fund. Franchisee is required to pay to Franchisor a National Brand Fund contribution of \$75.00 per week beginning the first billing cycle after the Date of Execution. The National Brand Fund payment is made in the same manner as the Royalty Fees and is due to Franchisor, without notice from Franchisor, each Tuesday for the preceding week. Franchisor will hold the National Brand Fund contributions in a separate bank account. The National Brand Fund is described in Section 9.04 below.

5.06 Late Charges and Other Fees. Presently, the fee for late reports is \$20, and \$20 per day for each additional day the report is late; non-sufficient funds is \$35. Franchisee must pay any damages, expenses through appeal, collection costs, and reasonable attorneys' fees Franchisor incurs in connection with Franchisee's failure to make any required payments.

5.07 Taxes and Debts. Franchisee will promptly pay when due all taxes, fees, debts, expenses, and assessments of the franchised Business, including payroll taxes. Franchisee will not permit a tax sale, seizure, levy, execution, and bankruptcy, assignment of assets for or by creditors, or similar action to occur.

5.08 Software License and Maintenance Fee. Franchisee is required to pay a monthly software maintenance fee. At this time that fee is \$115.00 per month paid directly to the software vendor.

6. MARKS

6.01 Marks. Franchisee must only use the Marks in the conduct of the Business as specified in this Agreement. Any unauthorized use of the Marks by Franchisee will constitute a breach of this Agreement and an infringement on Franchisor's rights in and to the Marks. As between Franchisor and Franchisee, Franchisor has a prior and superior claim to the Marks, and Franchisee has no rights in the Marks other than the right to use them in the operation of the Business in compliance with this Agreement.

6.02 Authorized Marks. Franchisee shall use no trademarks other than "You've Got MAIDS" or any other Marks that Franchisor may specify for use in the identification, marketing, promotion, or operation of the Business. If Franchisee cannot lawfully use the Marks in the Protected Territory, Franchisee must obtain Franchisor's written approval to use other marks. Franchisee must also follow the copyright guidelines as specified by Franchisor in the Manual.

6.03 Change of Marks. Franchisor may add, modify, or discontinue any Marks to be used under the System. Within a reasonable time of receiving written notification of any change, Franchisee must comply with the change, at Franchisee's sole expense.

6.04 Limitations on Franchisee's Use of the Marks. Franchisee must use the Marks as the sole identification of the Business, but must also identify itself as the independent owner of the Business in the manner prescribed by Franchisor. All Marks must be displayed in the manner prescribed by the Franchisor. Franchisee may not use the Marks, or any words or symbols similar to the Marks, alone or with any prefix, suffix, modifying words, terms, designs, or symbols:

- a) as part of any entity or business name;
- b) in conjunction with any documents, estimates, contracts, licenses, permits and other official documents. Any reference to the Marks in any document must state that Franchisee's use of the Marks is limited by this Agreement;
- c) in any form on the Internet, including, but not limited to, addresses, domain names, links, metatags, locators, and search techniques;
- d) in connection with the performance or sale of any unauthorized services or products;
- e) or in any other manner not expressly authorized by Franchisor.

6.05 Marks on the Internet. Franchisor retains the sole right to use the Marks and market on the Internet, including all use of Web sites, domain names; URL's, linking, advertising, and co- branding arrangements. Franchisee may not establish a presence on the Internet except as we may specify, and only with our prior written consent. Franchisee will provide Franchisor with content for Franchisor's Internet marketing, and Franchisee must sign the Internet and intranet usage agreements when developed by Franchisor. Franchisor retains the right to approve any linking to or other use of YGM's Web site.

6.06 Marks in Advertising. Subject to Section 9.03, Franchisee must obtain Franchisor's prior written approval for any use of any item of printed, audio, visual, Internet, electronic media, or multimedia material of any kind bearing any of the Marks, unless supplied by Franchisor. Franchisee must indicate that it is "independently owned and operated."

6.07 Goodwill. All usage of the Marks by Franchisee and any goodwill associated with the Marks, including any goodwill that might be deemed to have arisen through Franchisee's operation of the Business or other activities will inure to the exclusive benefit of Franchisor.

6.08 Infringement. Franchisee must notify Franchisor in writing within three (3) days of obtaining knowledge of any possible infringement or illegal use by others of a trademark which is the same as or confusingly similar to the Marks. Franchisor may, in its sole discretion, commence or join any claim against the infringing party, and bear the reasonable costs associated with the action.

6.09 Signage. As specified by Franchisor, Franchisee must display signage bearing the Marks and identifying the Premises as a housekeeping business, and signage indicating that the Business is independently owned and operated as a franchised Business. All signage must remain current with the System's standards as Franchisor may modify periodically.

7. MANUAL AND CONFIDENTIAL INFORMATION

7.01 Confidential Information. The System, the Manual, and other Confidential Information are proprietary, involve trade secrets of Franchisor, and are disclosed to Franchisee solely on the express condition that Franchisee agrees, and Franchisee does hereby agree to:

- a) fully and strictly adhere to all security procedures prescribed by Franchisor, in its sole discretion, for maintaining the proprietary information as confidential;
- b) disclose such information to its employees only to the extent necessary to market products and services and for the operation of the Business in accordance with this Agreement;
- c) not use any such information in any other business or in any manner not specifically authorized or approved in writing by Franchisor; and
- d) exercise the highest degree of diligence and make every effort to maintain the absolute confidentiality of all such information during and after the term of this Agreement, and follow Franchisor's security procedures, which include the execution of approved nondisclosure agreements, and intranet, extranet and Internet usage agreements when developed by Franchisor, by Franchisee and any employee or agent who is allowed access.

7.02 Standards and Authorized Use. Franchisee must maintain strict compliance with the Manual as presently set forth and as subsequently amended and revised.

7.03 Unauthorized Use. Franchisee must not copy or otherwise reproduce any Confidential Information, and must establish procedures to prevent unauthorized use by any other person. Unauthorized use of the Manual or the System will constitute a breach of this Agreement and an infringement of our proprietary rights, including trade secrets and copyrights. You must promptly report any unauthorized use of the Manual or other Confidential Information.

7.04 Manual. Franchisor will loan to Franchisee during the term of the franchise one (1) copy of Franchisor's confidential Brand Standards Manual, which may be in print, on an access code-protected company intranet or extranet, or through other media. Franchisor reserves the right to require Franchisee to use the Manual in only an electronic format. The Manual will at all times remain the property of Franchisor, and Franchisee must immediately return the Manual to Franchisor upon expiration, termination, or Transfer of this Agreement. Franchisor may periodically update and revise the Manual. Franchisee acknowledges that its entire knowledge

of the operation of the Business is and shall be derived from information disclosed to Franchisee by Franchisor and that certain of such information is proprietary, confidential and a Trade Secret of Franchisor. Franchisee shall maintain the absolute confidentiality of all such Trade Secrets during and after the term of this Agreement, and shall not use any such information in any other business or in any manner not specifically authorized or approved in writing by Franchisor. Franchisee is bound by the standards for maintaining the privacy of the Manual in the same manner as all other Confidential Information set forth above.

7.05 Nondisclosure and Noncompetition Agreements for You. You promise, during the term of this Agreement, to not:

- a) engage as an owner, partner, shareholder, director, officer, employee, consultant, agent, or in any other capacity in any other business offering cleaning goods and services the same as or similar to the goods and services sold by the Franchised Business (except for other Franchises under Franchise Agreements we enter into with you) anywhere in the U.S.A.
- b) use our confidential information, System, Brand Standards Manuals, Marks, customer lists, trade secrets, trade dress, proprietary knowledge, or know-how, or any colorable imitations, in the design, development, or operation of any business whether or not similar to or the same as that conducted by the Franchised Business.

7.06 Nondisclosure and Noncompetition Agreements for Your Employees. At the start of their employment, you promise to require, as consideration for employment, each of your employees to sign nondisclosure, confidentiality and non-compete agreements that we have approved. These agreements will prohibit disclosure, by the employee to any other person or legal entity, of any trade secrets, customer lists, or other information, knowledge, or know-how regarding the System or the operation of the Franchised Business, which is deemed confidential or proprietary by us. The employee non-disclosure and confidentiality agreements will, to the fullest extent permitted by applicable law, prevent employees from servicing or soliciting any of the customers of your Franchised Business, except in their capacities as employees of the Franchised Business. As needed, we may request that a fully signed copy of employee non-disclosure and confidentiality agreement(s) be sent to us.

7.07 Our Right To Enforce Non-Competition Covenants. You agree and acknowledge that a violation of the covenants not to compete as listed in this Section and in 13.05, will result in immediate and irreparable injury to us for which no adequate remedy at law will be available. Accordingly, you consent to the entry of an injunction prohibiting any conduct by you in violation of the terms of the covenants not to compete. Further, you expressly agree that the existence of any claims you may have against us, whether or not arising from this Agreement or otherwise, will not constitute a defense to the enforcement by us of these covenants not to compete. If we prevail, you promise to pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by us in connection with the enforcement of these covenants not to compete. The protection awarded in this Paragraph and in Section 13.05. will be in addition to, and not in lieu of, all other protections for such trade secrets and confidential information as may otherwise be afforded in law or in equity.

7.08 Ownership of Business Records. Franchisee acknowledges and agrees that the Franchisor owns all Business Records with respect to customers, employees, and other service professionals of, and related to, the franchised housekeeping business including, without limitation, all databases (whether in print, electronic or other form), including all names, addresses, phone numbers, e-mail addresses, customer purchase records, and all other records contained in the database, and all other Business Records created and maintained by Franchisee. Franchisee further acknowledges and agrees that, at all times during and after the termination, expiration or cancellation of this Agreement, Franchisor may access such Business Records, and may utilize, transfer, or analyze such Business Records as Franchisor determines to be in the best interest of the System, in Franchisor's sole discretion.

8. FRANCHISOR'S DUTIES

8.01 Services Provided by Franchisor. Franchisor will provide initial and continuing services as it deems necessary or advisable in furthering Franchisee's Business and the business of the System as a whole and in connection with protecting the Marks and goodwill of Franchisor. Provision of services by Franchisor, either initial or continuing, is independent from the payment of the Initial Franchise Fee or the continuing royalty fees. Franchisor will provide the services listed below on a continuing basis.

8.02 Site Selection. Franchisee is solely responsible for locating a site for the Business and negotiating a lease for the property. Upon request, Franchisor will provide assistance to Franchisee in analyzing a location and in negotiating a lease. Franchisor will analyze a location by examining population density, traffic patterns, proximity of the proposed location to any other YGM housekeeping businesses, or any other reasonable criteria, as set forth in Section 10.01. Franchisee agrees that the location of the housekeeping business is a factor in the potential for success of the Business and Franchisor may reject any location in its sole discretion, but consent will not be unreasonably withheld. However, Franchisor's assistance in no way constitutes a representation or warranty with respect to the property or the lease. Franchisee must get Franchisor approval in writing for initial site or any concurrent site relocation. If you and YGM cannot agree on the site selection, then you must select two (2) alternative sites. YGM will give you an evaluation of each location. You may then choose any one of the three sites. YGM must approve or disapprove your site within 30 days after we receive notice of the location from you. If we cannot agree on any of the three site locations, then YGM will send a representative to assist in site selection. The franchise agreement cannot be terminated due to failure to agree on site selection.

8.03 Equipment, Inventory, Advertising and Services. Franchisor will specify or approve certain equipment, inventory, and supplies used in the Business, as provided elsewhere in this Agreement.

8.04 Initial Training. Franchisor will provide initial and ongoing training and assistance, as Franchisor may reasonably determine to be appropriate, within sixty (60) days of signing this Agreement. Franchisor will provide the initial training program at its corporate headquarters, online, or at another location designated by Franchisor, to Franchisee and one designated Manager or other employee. Franchisee and a designated manager must attend and satisfactorily complete the initial training program. The training program lasts for at least five (5) days, and consists of a discussion of the System, techniques, procedures, and methods of operation, hiring employees, customer service, ordering, sales, marketing procedures, accounting, support procedures and instructions on quality standards and practical experience in the operation of the housekeeping business. Franchisee is responsible for personal travel, accommodation, and other costs of its employees while attending training. Franchisee will be charged Franchisor's current training fee for any additional persons attending training.

8.05 Ongoing Training. Franchisor reserves the right to hold and require Franchisee to attend annual conferences to discuss on-going changes in the industry, sales techniques, personnel training, bookkeeping, accounting, inventory control, performance standards, and advertising programs. If the conference is mandatory, Franchisee will not be required to pay a conference fee, but must pay all personal travel and living expenses for all of its employees attending the conference. Conferences will be held at Franchisor's corporate headquarters or at an alternate location chosen by Franchisor.

8.06 Opening and Continuing Assistance. Franchisor will provide reasonable ongoing assistance by telephone, email, or other form of communication to Franchisee during normal business hours. If Franchisee requires additional on-site assistance, Franchisee will be charged Franchisor's then-current additional assistance fee per day, plus travel and living expenses for Franchisor's representative.

8.07 Advertising and Promotional Programs. Franchisor will provide advertising and promotional programs as set forth in Section 9.

8.08 Development of Programs. Franchisor may develop new products and service methods, as Franchisor deems beneficial to the System. Franchisor will offer such new products and service methods to Franchisee on terms reasonably determined by Franchisor.

8.09 Modification of System. Franchisor will periodically continue to improve, modify, and revise the Manual and the specifications, standards, and operating procedures and rules of the System, as set forth in Sections 2.02 and 7.04.

8.10 Web Site. Franchisor will provide information regarding Franchisee's Business on its Web site, as set forth in Section 9.08.

9. SOLICITATION AND ADVERTISING

9.01 Solicitation. Except as stated in this paragraph, Franchisee may not directly market to or solicit customers who reside within another franchisee's Protected Territory.

9.02 Franchisee Advertising. Franchisee must advertise on a local basis as an individual business or by local advertising agencies hired by Franchisee. Franchisee will spend a minimum of \$.095 per qualified household annually while weekly sales average below \$10,000.00 a week during the previous 90 day period, a minimum of \$.075 per qualified household annually while weekly sales average above \$10,000.00 a week during the previous 90 day period and a minimum of \$.055 per qualified household annually while weekly sales average above \$20,000 a week during the previous 90 day period.

Franchisee must also participate, at Franchisee's expense, in any Multi-Area Marketing Programs as determined by Franchisor. All expenditures will be reported to Franchisor at such times and in such manner as Franchisor specifies, including by electronic means. Franchisee may not advertise in any media with a primary circulation within another franchisee's Protected Territory, except with Franchisor's written consent. However, Franchisee may advertise in media whose circulation is primarily inside Franchisee's Protected Territory, even if it also reaches outside Franchisee's Protected Territory. All Internet marketing is a part of Multi-Area Marketing Programs, and must be coordinated through and approved by Franchisor. You may not market independently on the Internet or acquire an independent Internet domain name or Web site, but Franchisor will include Franchisee's housekeeping business on its Web site.

9.03 Advertising and Marketing Materials. Franchisor will provide Franchisee with reasonable amounts of advertising and marketing materials which may include, print-ready advertising materials, banners, and other items. Franchisee must purchase any additional copies of advertising and marketing materials. Franchisee may develop and produce additional advertising and marketing materials, at Franchisee's own expense, but any advertising and marketing materials must be approved in writing by Franchisor in advance of Franchisee's use of such materials. Franchisor will approve or disapprove of materials submitted by Franchisee within fifteen (15) days of receipt. Franchisor also reserves the option of utilizing the advertising, without cost, developed by Franchisee and providing the advertising to other franchisees.

9.04 National Brand Fund. Franchisee is required to pay a National Brand Fund contribution of \$75 per week at the same time and in the same manner as the royalty fee, beginning the first billing cycle after the Franchise Agreement is signed Franchisor will hold the National Brand Fund contributions in a separate bank

account. Franchisor will use the National Brand Fund for local, regional, national, Internet, or international advertising or marketing, development and maintenance of any Internet or e-commerce programs, related expenses and salaries, and any media or agency costs. Franchisor may also use the National Brand Fund to attend franchise trade shows and other events. Franchisor may also use the funds to offset or partially rebate the franchisee local media and printing expenses. Franchisee acknowledges and agrees that expenditures from the National Brand Fund may or may not be proportionate to contributions made by Franchisee or provide a direct or any benefit to Franchisee. The National Brand Fund will be spent at Franchisor's sole discretion, and Franchisor has no fiduciary duty with regard to the National Brand Fund. Franchisor may accumulate these funds, and the balance may be carried over to subsequent years and used for the purposes stated in this Agreement. If the National Brand Fund operates at a deficit or requires additional funds at any time, Franchisor reserves the right to loan such funds to the National Brand Fund on any terms Franchisor determines. Franchisor may also utilize the National Brand Fund to reimburse itself for administrative expenses incurred in administering the National Brand Fund. An unaudited annual financial statement of the National Brand Fund will be prepared within one hundred twenty (120) days of the close of Franchisor's fiscal year and will be available to Franchisee upon request.

9.05 Franchisee's Name and Photograph. You hereby grant us the right, without compensation to you, to use your name, address, photograph, and biographical information in any publication related to the System, including in relation to the sale of other You've Got MAIDS franchises.

9.06 Telephone Listing and Answering. We will provide you with a unique phone number to be used in public listings and in all marketing and advertising for your Franchised Business. You will purchase and maintain a telephone dedicated exclusively to the Franchised Business and this telephone must be answered live voices from 9:00 A.M. to 5:00 P.M. Monday through Friday\ . You may not have your phones answered by answering machines, voicemail, or transferred to cellular telephones or other similar devices.

Call Center Requirement

You are required to pay for, and use, the call center that we specify to answer incoming sales calls during the hours of operation of the call center. The call center requires that you utilize a phone provider that features a call forwarding functionality. We may at any time, with 30 days' prior notice to you, designate another method, vendor or manner for answering sales calls. For all non-sales calls, you promise to maintain a 24 hour answering system on your business line and use a script for answering calls. We reserve the right to review and disallow any telephone scripts from use with the call center or an individual office.

Call Tracking Requirement

You are required to use and pay for a call tracking service that we specify , to track and record all phone calls, give us full access, and pay for additional, unique phone numbers. We may at any time, with 30 days' notice to you, designate another method, vendor or manner for tracking and recording phone calls.

9.07 Internet Advertising. You may not create a website for the Franchised business. YGM does provide, through its own public website, the opportunity for each franchisee to have their own personalized web pages. You acknowledge that our public website (www.youvegotmaids.com) is an advertising vehicle and that you are required to fully utilize all of its capabilities.

10. CONSTRUCTION AND MAINTENANCE OF HOUSEKEEPING BUSINESS

10.01 Property. Franchisee may purchase or lease the required real property and improvements from any source upon terms approved by Franchisor in writing. If Franchisor assists Franchisee in negotiating the

lease, Franchisor's assistance in no way constitutes a representation or warranty with respect to the property or the lease.

11. RECORDS AND REPORTS

11.01 Records. Franchisee must keep and transmit complete and accurate Business Records on a current basis relating to the Business in the form, time, and manner that Franchisor prescribes. Franchisee must provide Franchisor with weekly reports for Gross Sales Achieved in the preceding week each Monday by 3:00 p.m. (EST). Franchisee must provide Franchisor with all hard copies, and access to electronic reports, as reasonably prescribed. Franchisee must maintain an accounting system, which accurately reflects all operational aspects of the business including uniform reports as may be required by Franchisor. Franchisee must provide Franchisor with monthly Profit and Loss Statement for the preceding month by the 15th day of each month. Franchisee must submit to Franchisor current financial statements and other reports as Franchisor may request to evaluate or compile research data on any operational aspect of the business. Franchisor reserves the right to require that Franchisee make available its sales records and files by way of an Internet connection. Business Records will specifically also include:

- a) an exact copy of all tax returns, schedules, and reports you file for federal and state income, corporate, or sales tax purposes, within thirty (30) days after you file such documents;
- b) daily reports;
- c) statements of Gross Sales and expenses, to be prepared each month for the preceding month;
- d) profit and loss statements prepared by either an accountant or with the use of approved accounting software such as Quickbooks, to be prepared at least monthly, by the 15th;
- e) balance sheets, to be prepared at least monthly; and
- f) such other reports, sales slips, bank statements, and records as we may from time to time require.

Franchisee must keep accurate records relating to the franchised Business for a period of six (6) years after the termination or expiration of this Agreement.

11.02 Records Standards. Franchisee must prepare all financial reports in accordance with generally accepted accounting principles, consistently applied, in a form approved by Franchisor. Franchisee must periodically deliver to Franchisor copies of accounting, tax and other documents and information, within ten (10) business days of Franchisor's requests. Franchisee must provide Franchisor with a copy of its annual financial statements including a profit and loss statement and a balance sheet containing complete notes and disclosures. Such statements must be compiled by an independent Certified Public Accountant, and be delivered to Franchisor within ninety (90) days after Franchisee's fiscal year end.

11.03 Accounting and Payroll Service. You must use our approved accounting and payroll service for a minimum of twelve (12) months. You will pay approximately \$180-\$230 per month directly to the accounting service.

We will have independent access to the information and data that is electronically collected. We intend to collect primarily sales based data from our franchisees on a monthly basis. We reserve the right to gather more specific accounting related data including profit and expense data for benchmarking, reporting and other analysis.

11.04 Audits. Franchisee must provide Franchisor or its agent's access to Franchisee's Business and computer systems to examine or audit Franchisee's Business, at any reasonable time without notice. Franchisor will bear the cost of the audit, unless Franchisee fails to report as required or understates Gross Sales by two percent (2%) or more for any reported time period, in which case Franchisee will pay the audit cost plus interest on understated costs of one percent (12%) per month. Franchisee must immediately pay to Franchisor all sums owed in addition to any other remedies provided in this Agreement or by law.

11.05 Late Fees. In the event Franchisee fails to provide weekly reports, Profit and Loss Statement, Insurance Certificates or any other required documents as stated in paragraph 11.01 above, Franchisee must pay a late fee in the amount \$20 if late and \$20 per day for each additional day the report is late.

12. FRANCHISEE'S DUTIES

12.01 Services. You will offer to the public a complete, professional house cleaning services. All services you provide, at any time, must be covered by your insurer and reported as sales under You've Got Maids. We may authorize and modify services from time to time to include, but not limited to, any and all commercial cleaning services, office cleaning, floor cleaning, carpet cleaning, exterior cleaning, interior cleaning, concierge service, organizing service, window cleaning, packing service, or removal services of any type or kind.

12.02 Supplies and Materials. You will use only equipment, supplies, materials, uniforms, and forms we specify or approve as meeting our standards and specifications. If you propose to use any item or supplier that we have not specified or approved, you will notify us and will submit to us, on our request, sufficient specifications, photographs, and other information or samples for examination and testing to permit us to determine whether such item or supplier meets our standards and specifications, which determination we will make reasonably and in good faith and communicate to you within a reasonable time after such determination. We will not charge you any fee for reasonable examination or testing you request that we perform.

12.03 Use of Materials Imprinted with Names and Marks. You agree that the proper display of the Marks is important to the public recognition of the System and, as a result, to the growth of the Franchised Business and the franchised businesses of our other franchises. As a result, you agree that you will use, whenever reasonably practicable, only bags, uniforms, packaging, sales slips, receipts, notices, and other forms imprinted with the Marks.

12.04 Standards of Service. You and your employees will at all times give prompt, courteous, and efficient service to customers of the Franchised Business. In all dealings with customers, suppliers, and the public, you and your employees will adhere to the highest standards of honesty, integrity, fair dealing, and ethical conduct. All your advertising and promotion of the Franchised Business and its services will be in strict compliance with the standards we establish, will be completely factual, and will conform to the highest standards of ethical advertising. You agree to refrain from any business or advertising practice that may be injurious to the goodwill associated with other You've Got MAIDS franchises or the System, including the Marks. You agree that you will not deviate from the standards we set for the operation of the Franchised Business. You agree to perform "in-home estimates" for all prospective customers as outlined in our Systems For Success Brand Standards Manual/Maid University. You will guarantee your services and will respond promptly to all inquiries and complaints in order to achieve customer satisfaction and, if necessary, will reclean the customer's home or office or provide a partial or complete refund to the customer. If in our Reasonable Business Judgment it is necessary to take action to resolve a customer complaint, we may enter on the customer's premises to inspect or correct your work or offer a reasonable settlement, and you will pay our cost of doing so promptly on our request. If a customer refuses to do business with your You've Got MAIDS office because of poor customer service and in our Reasonable Business Judgment there is another You've Got MAIDS office that can meet the needs of this customer, you agree to allow another You've Got MAIDS office, of our choosing, to continue to service and receive payment from this customer in the "exclusive" Protected Territory. You acknowledge that it may be

necessary or desirable to change or modify the System and the methods and procedures you use to conduct the Franchised Business, and on notice from us, you will promptly implement such changes and modifications at your cost. You agree to comply with all of our specifications, standards, and operating procedures related to the operation of the Franchised Business; including, without limitation, specifications, standards, and operating procedures related to:

- a) The selling process and methods including in-home confirmations;
- b) The delivery of approved house and office cleaning services;
- c) The safety, maintenance, cleanliness, function, and appearance of your automobiles, equipment, accessories, and signs;
- d) The uniforms or clothes to be worn by, and general appearance of, you and your employees;
- e) The use of the Marks;
- f) The hours that you will conduct the Franchised Business, subject to local laws and market conditions;
- g) Your use of signs, posters, displays, brochures, flyers, forms, and similar items; and the Marks.

You further agree, as additional customer service programs, to:

- h) Contact each of the customers either by telephone or in person at least three (3) times per twelve (12) month period for the purpose of surveying such customers as to their satisfaction with your services, the You've Got MAIDS System generally, recommended areas for improvement or service enhancement, and such other topics as we may require. We will provide you with a survey questionnaire form that you will use in conducting such surveys;
- i) Contact each former customer upon termination of the former customer's relationship with you to determine why the customer terminated the relationship and to attempt to persuade the customer to resume the use of your services.
- j) Any location that does not answer their business phone lines in a professional manner between normal business hours of 9:00 am – 5:00 pm Monday – Friday more than 3 times in a 30 day period in addition to being below average in company revenues for that same period will be required to pay for and use the company's chosen call center for a minimum of 90 days.

You agree to report to us regularly (not less than each ninety (90) day period) regarding your compliance with these obligations.

12.05 Pricing. We may from time to time offer you advice or guidance concerning suggested prices you may wish to charge that we reasonably believe would constitute a good business practice for you. You will not be obligated to accept any such advice or guidance and will have the sole right to determine the prices you charge. No such advice or guidance will be deemed or construed to impose on you any obligation to charge any fixed, minimum, or maximum price for any product or service.

12.06 Management/Conflicting and Competing Interests. You will directly manage the Franchised Business at all times, except for minor, temporary absences and reasonable vacations, in which case fully-trained management personnel will directly manage the Franchised Business at all times. You agree that you will at all times faithfully and diligently perform your obligations hereunder, that you will continuously devote your full-

time attention, energy, and best efforts to promote and enhance the Franchised Business, and you will not engage in any business or other activity that will conflict with your obligations hereunder. You acknowledge that the operation of the Franchised Business is a full-time occupation and, therefore, you agree that you will not, during the Term of this Agreement, without our written approval, have any interest as an owner (except of publicly traded securities), lender, director, officer, employee, consultant, representative, or agent, or in any other capacity, in any other business that is similar to the Franchised Business, except other You've Got MAIDS franchises, anywhere in the U.S.A.

12.07 Automobiles for Business Transportation. You will supply automobiles to your employees for use related to the Franchised Business, such automobiles will be clean, relatively new motor automobiles, of a type, color, trademark representation, and appearance (no rust or body damage). All automobiles purchased or leased for the business are to be, and maintained, in a "good" condition as defined by KELLEY BLUE BOOK ("Good" condition means that the automobile is free of any major defects. The paint, body and interior have only minor (if any) blemishes, and there are not major mechanical problems. In states where rust is a problem, this should be very minimal). All automobiles used in the business are to be painted and decaled as required by You've Got MAIDS and the paint, wrapping and decals are to free of defects;

12.08 Computer Requirements. You will be required to maintain your computer systems to meet our minimum computer specifications. Franchisee acknowledges and understands that computer systems are vulnerable to computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, date-related problems, and attacks by hackers and other unauthorized intruders. Franchisor has taken reasonable steps so that these problems will not materially affect the System. Franchisor does not guarantee that information or communication systems supplied by Franchisor or its suppliers will not be vulnerable to these problems. Franchisee acknowledges and agrees that Franchisee is solely responsible for protecting itself from these problems. Franchisee must also take reasonable steps to verify that Franchisee's suppliers, lenders, landlords, customers, and governmental agencies on which Franchisee relies, are reasonably protected. This may include taking reasonable steps to secure Franchisee's systems, including, but not limited to, firewalls, access code protection, anti-virus systems, and use of backup systems.

12.09 Compliance with laws/Credit Cards. You agree to comply with all laws applicable to the operation of the franchised business, including, without limitation, all wage and hour laws, labor department, workers compensation and unemployment laws and rules. In addition, with respect to all credit card transactions and the customer information obtained through credit card usage, you agree to diligently comply with all statutes and rules regarding such usage and you will protect the privacy of the credit card customers. You agree that your obligations to indemnify us under Section 17.02.

12.10 Maintenance and Upgrades. Subject to the terms of this Section, Franchisee must at all times comply with Franchisor's standards, specifications, processes, procedures, requirements and instructions regarding the housekeeping business' physical facilities, Franchisee must maintain the business office and any parking areas in good and safe condition, as specified in the Manual.

12.11 Compliance with Applicable Laws. Franchisee agrees to (i) comply with all applicable laws, ordinances and regulations or rulings, or licensing requirements, of every nature which in any way regulate or affect the operation of its Business, (ii) pay promptly all taxes and business expenses, and (iii) comply with all laws covering occupational hazards, accommodations for the disabled, including without limitation, the Americans with Disabilities Act, if applicable, health, workers' compensation insurance and unemployment insurance. Franchisee agrees, at its expense, to modify its business, if necessary, to comply with any such applicable laws or regulations. Franchisee shall not engage in any activity or practice that result, or may reasonably be anticipated to result, in any public criticism of the System or any part thereof.

12.12 Right of Entry and Inspection. Franchisee must permit Franchisor or its authorized agent or representative to enter the Premises during normal business hours and to reasonably inspect the operations of the

franchised Business. Franchisor shall have the right to observe Franchisee and its employees rendering services, to confer with Franchisee's employees and customers and to generally review the Business operations for compliance with the standards and procedures set forth in the Manual.

12.13 Insurance. Franchisee must keep in force insurance policies as prescribed by Franchisor in the Manual by an insurance company acceptable to Franchisor at all times during the term of this Agreement and any renewals. Insurance coverage must include general liability, combined single limit, bodily injury and property damage insurance for premises operations, products liability and all other occurrences against claims of any person, employee, customer, and agent or otherwise in an amount per occurrence of not less than such amount set forth in the Manual and adjusted by Franchisor from time to time. Insurance policies must insure both Franchisee and Franchisor, its officers and directors, as additional named insured against any liability which may accrue against them by reason of the ownership, maintenance or operation by Franchisee of the Business. The policies must also stipulate that Franchisor shall receive a thirty (30) day prior written notice of cancellation. Original or duplicate copies of all insurance policies, certificates of insurance or other proof of insurance acceptable to Franchisor shall be furnished to Franchisor together with proof of payment within thirty (30) days of issuance thereof. In the event Franchisee fails to obtain the required insurance and keep the same in full force and effect, Franchisee shall pay Franchisor upon demand the premium cost thereof, which Franchisor shall then forward to the insurance carrier. Notwithstanding the foregoing, failure of Franchisee to obtain insurance constitutes a material breach of this Agreement entitling Franchisor to terminate this Agreement according to the provisions of this Agreement. Franchisee will also procure and pay for all other insurance required by state or federal law, including, without limitation, workers' compensation and unemployment insurance.

12.14 Indemnification. Franchisee agrees to indemnify, defend and hold harmless Franchisor, its parent corporation, its subsidiaries and affiliates, and their respective shareholders, directors, officers, employees, agents, successors and assignees against all claims and liabilities directly or indirectly arising out of the operation of the Business or arising out of the use of the Marks and System in any manner not in accordance with this Agreement. For purposes of this indemnification, claims shall mean and include all obligations, actual and consequential damages and costs reasonably incurred in the defense of any claim, including, without limitation, reasonable accountants', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses. Franchisor shall have the right to defend any such claim against it. This indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

12.15 Failure to Open. Should Franchisee fail to commence operations of the Franchised Business within five (5) months after the Date of Execution, Franchisor has the right to terminate this Agreement. If this Agreement is terminated pursuant to this Section 5.02, Franchisor shall retain the entire Initial Franchise Fee (\$6,999.00 plus \$0.69 for each qualified household within the Protected Territory) and Technology Fee paid by Franchisee. The Initial Franchise Fee retained shall be specifically understood and agreed by the parties to be in consideration of the services provided, time expended, work performed, reservation of the territory and other efforts of Franchisor up to the date of Franchisee's failure to timely commence operations of the Franchised Business and shall not be construed as nor considered to be a penalty.

13. DEFAULT AND TERMINATION

13.01 Termination by Franchisee. Franchisee may terminate this Agreement as a result of a breach by the Franchisor of a material provision of this Agreement; provided that: (i) Franchisee provides Franchisor with written notice of the breach that identifies the grounds for the breach; and (ii) Franchisor fails to cure the breach within 30 days after receipt of the written notice. If Franchisor fails to cure the breach, the termination will be effective 60 days after Franchisor's receipt of the written notice of breach. If Franchisee terminates this Agreement under this provision, Franchisee must follow the termination procedures as set forth below.

13.02 Termination by Franchisor. Subject to applicable law to the contrary, Franchisor may, at its option, terminate this Agreement before its expiration as set forth below:

With Notice of 30 Days. This Agreement will terminate thirty (30) days after Franchisor gives written notice to Franchisee and Franchisee fails to cure the defect within the 30-day period, in the event that:

- a) Franchisee fails or refuses to maintain and operate the Business in compliance with this Agreement, the System, or the Manual;
- b) Franchisee fails to pay Franchisor or its affiliates or suppliers for obligations under this Agreement;
- c) Franchisee fails to comply with any material federal, state, or local law or regulation applicable to the operation of the Business;
- d) Fail to satisfy the complaints of two (2) or more of the customers received in any twelve (12) consecutive month period.
- e) Operate the Franchised Business in a manner that presents a health or safety hazard to the customers, employees, or the public, and such manner of operation continues uncorrected for two (2) days after notice to correct such hazard
- f) Receive two (2) or more notices of default under this Agreement during any twelve (12) consecutive month period regardless of whether or not you cure such defaults and whether or not they relate to the same default
- g) Offer for sale or sell any unauthorized product or service for more than three (3) days after notice to cease such offers or sales
- h) Franchisee is in breach of any other term, condition, or provision of this Agreement.

Without Notice. This Agreement and license will immediately terminate without notice in the event that:

- a) Franchisee misrepresented or omitted material facts which induced Franchisor to enter into this Agreement;
- b) Franchisee fails to complete the required initial training or has failed to designate an acceptable site as in Section 10;
- c) Franchisee fails to commence operation of the Franchised Business within 4 months from the date of payment of the Initial Franchise Fee and following your successful completion of the Initial Training Program.
- d) Fail or refuse to submit any report, financial statement, tax return, schedule, or other information or supporting record required under this Agreement, or submit such report or record more than two (2) late on two (2) or more occasions during the Term;
- e) A permanent or temporary receiver or trustee for the business or all or substantially all of Franchisee's property is appointed by any court, or any such appointment is consented to or not opposed through legal action by Franchisee, or Franchisee makes a general assignment for the benefit of Franchisee's creditors or Franchisee makes a written statement to the effect that Franchisee is unable to pay its debts as they become due, or a levy or execution is made on the license, or an attachment or lien remains on

the business for thirty (30) days unless the attachment or lien is being duly contested in good faith by Franchisee and Franchisor is advised in writing;

- f) Franchisee fails to make payment of any amounts due to us and do not correct the failure within 10 days of your receipt of written notice of the failure; your default on any loan made to you by our preferred lender for the purchase of your Territory and fail to cure the default within 10 days of your receipt of written notice of the failure;
- g) Franchisee contests the validity of, or Franchisor's ownership of, any of the Marks in any court or proceeding;
- h) Franchisee makes an unauthorized Transfer;
- i) Franchisee is a business entity and any action is taken which purports to merge, consolidate, dissolve or liquidate the entity without Franchisor's prior written consent.
- j) Franchisee voluntarily abandons or ceases operation of the Business for more than five (5) consecutive days; or
- k) The Franchisee or any owner of the Franchisee entity or operator is charged or convicted of a felony, a crime involving moral turpitude, or any crime or offense that is reasonably likely, in the sole opinion of the Franchisor, to materially and unfavorably affect the YGM System, Marks, goodwill or reputation.

13.03 Franchisees Failure to Pay. Franchisee's failure to make payments of any Royalties, National Brand Fund Fees, or other money due and owing Franchisor, after Franchisee receives notice of default from Franchisor granting an opportunity to cure will be considered Franchisee's willful and wrongful breach under the Agreement and Franchisee's decision to reject and terminate this Agreement and all related agreements.

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

- a) promptly pay all amounts owed to Franchisor, plus interest and late fees as calculated in Section 5.04 above;
- b) return to Franchisor all copies of the Manual, customer lists, records, files, instructions, software licenses, brochures, advertising materials, agreements, Confidential Information and any and all other materials provided by Franchisor to Franchisee or created by a third party for Franchisee relating to the operation of the Business, and all items containing any Marks, copyrights, and other proprietary items;
- c) cancel or assign within three (3) days all registrations relating to its use of any of the Marks, in Franchisor's sole and absolute discretion. Franchisee must notify the telephone, Internet, email, electronic network, directory, and listing entities of the termination or expiration of the Franchisee's right to use any numbers, addresses, domain names, locators, directories and listings associated with any of the Marks, and must authorize their transfer to the Franchisor or any new franchisee as may be directed by the Franchisor. The Franchisee acknowledges as between the Franchisor and the Franchisee, the Franchisor has the sole rights to, and interest in, all numbers, addresses, domain names, locators, directories and listings used by Franchisee to promote the System. The Franchisee hereby irrevocably appoints the Franchisor, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest, to execute such directions and authorizations as may be necessary or prudent to accomplish the foregoing;

- d) cease doing business under any of the Marks, cancel any assumed name registration that includes any of the Marks, assign all domain names and Internet directory listings that contain the Marks to Franchisor, and refrain from identifying itself as a YGM franchisee;
- e) allow Franchisor or representatives access to the Business and the computer systems to verify and secure Franchisee's compliance with the obligations under this Agreement;
- f) allow Franchisor to make a final inspection and audit of your computer system, books, records and accounts;
- g) abide by the terms of the required noncompetition covenant and refrain from engaging in contact with any clients;
- h) if Franchisor terminates because of Franchisee's default or Franchisee terminates through failure to make payment following notice to cure (pursuant to Section 13.03), pay Franchisor all losses and expenses Franchisor incurs as a result of the default or termination, including all damages, costs, and expenses, and reasonable attorneys' fees and experts' fees directly or indirectly related thereto, such as (without limitation) lost profits, lost opportunities, damage inuring to the Proprietary Marks and reputation, travel and personnel costs and the cost of securing a new Business for the Territory. This obligation will give rise to and remain, until paid in full, a lien in Franchisor's favor against any and all of the assets, property, furnishings, equipment, fixtures and inventory owned by Franchisee or the Business at the time of termination;
- i) refrain from speaking ill of franchisor among franchisees, online sources, social media and other media as it constitutes harm to franchisor's reputation, or the brand's reputation; and
- j) not allow any information, either directly or indirectly, to appear online or on social media, that in any way damages the franchisor, another franchisee, or anyone associated with the brand, or the brand itself.

13.05 Failure to Cease or Remove Identification. If, within thirty (30) days after termination or expiration of this Agreement by Franchisor, Franchisee fails to remove all displays of the Marks from the business and its automobiles which are identified or associated with the System, Franchisor may enter the business to effect removal. In this event, Franchisor will not be charged with trespass nor be accountable or required to pay for any displays or materials. If, within thirty (30) days after termination Franchisee has not taken all steps necessary to amend or terminate any registration or filing of any fictitious name or any other registration or filing containing the Marks, Franchisee hereby irrevocably appoints Franchisor as Franchisee's true and lawful attorney for Franchisee, for the purpose of amending or terminating all registrations and filings, this appointment being coupled with an interest to enable Franchisor to protect the System.

13.06 Covenant Not to Compete. For a period of twenty-four (24) months after termination, transfer or expiration of this Agreement for any reason, you promise to not engage as an owner, shareholder, partner, director, officer, employee, consultant, salesperson, representative, or agent or serve in any other capacity in any business furnishing housekeeping and/or cleaning services for personal residences, the same as, similar to, or competitive with the System, or any other business involving a business system provided by You've Got MAIDS, such as resort or office cleaning, inside or within seventy-five (75) miles from the boundary of your Protected Territory defined in Exhibit A, or inside or within seventy-five (75) miles from the boundary of any franchised, Franchisor-owned or affiliated company-owned territory.

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

13.08 Notice Required by Law. If any valid, applicable law or regulation of a competent governmental authority with jurisdiction over this Agreement or the parties to this Agreement limits Franchisor's rights of termination under this Agreement or requires longer notice to cure periods than those set forth above, then this Agreement will be considered to be modified to conform to the minimum notice, cure periods, or restrictions on termination required by the laws and regulations. Franchisor will not, however, be precluded from contesting the validity, enforceability or application of the laws or regulations in any action, proceeding hearing or dispute relating to this Agreement or the termination of this Agreement.

14. TRANSFER

14.01 Prohibited Acts. Any unauthorized Transfer or other conveyance, by operation of law or otherwise, or any attempt to do so, shall be deemed void, a breach of this Agreement, and grounds for termination of this Agreement by Franchisor.

14.02 Transfer by Franchisor. Franchisor's obligations under this Agreement are not personal, and Franchisor can unconditionally assign and transfer, in its sole and absolute discretion, this Agreement to another person or business entity at any time. Franchisor does not need permission of Franchisee for the transfer, and may transfer free of any responsibility or liability to the Franchisee, provided the transferee assumes the Franchisor's material obligations. Franchisor may also:

- a) sell or issue its stock, other ownership interests, or assets, whether privately or publicly;
- b) merge with, acquire, or be acquired by another entity, including an entity that competes directly with Franchisee; or
- c) undertake a refinancing, recapitalization, leveraged buyout, or other economic or financial restructuring.

14.03 Transfer by Franchisee. Franchisee's obligations under this Agreement are personal and may not be voluntarily or involuntarily sold, pledged, assigned, transferred, shared, subdivided, sub franchised, encumbered or transferred in any way without the prior express written approval of Franchisor.

14.04 Conditions for Transfer or Assignment. No Transfer of this Agreement will be approved by Franchisor or be effective unless and until:

- a) Franchisee is under no default in the performance or observance of any of its obligations under this Agreement or any other agreement with Franchisor at the time Franchisee requests permission to assign this Agreement or at the time of the assignment;
- b) Franchisee has settled all outstanding accounts with Franchisor, and Franchisee, and every principal of Franchisee's entity, have executed a general release of Franchisor and all principals of Franchisor from all claims that may be brought by you or any principal;
- c) the proposed transferee pays Franchisee a fee to transfer the Business (the "Transfer Fee") in the amount of \$6,999.00 unless the transferee is:

- (1) a corporation of which Franchisee is the majority stockholder, or a child, parent, sibling or spouse of Franchisee, in which case no Transfer Fee will be required, or
 - (2) another franchisee of YGM, in which case the Transfer Fee will be 10% of the then current initial franchise fee;
- d) the proposed transferee executes a separate franchise agreement with Franchisor, using the then-current form of franchise agreement;
- e) the proposed transferee pays for, attends, and satisfactorily completes the training program for new franchisees unless:
 - (1) the transferee is a current franchisee in good standing in the System, or
 - (2) the transferee is and has been a Manager for a period of one year or more of a business in good standing;
- f) the individual proposed transferee, or the stockholders, partners, members, or trustees and beneficiaries of a proposed entity transferee, each execute a personal guarantee, jointly and severally guaranteeing the performance of the proposed transferee's obligations;
- g) the proposed transferee demonstrates to Franchisor's satisfaction, in its sole discretion, that it, in all respects, meets Franchisor's standards applicable to new franchisees regarding experience, personal and financial reputation and stability, willingness and ability to devote his or her full time and best efforts to the operation of the franchised Business, and any other conditions as Franchisor may reasonably apply in evaluating new franchisees. Franchisor must be provided all information about the proposed transferee as it may reasonably require. Because of the confidential information available to a franchisee, no assignment to a competitor of the System will be permitted.
- h) If Franchisee wishes to sell its Franchise business, assuming all conditions precedent for such sale or transfer have been met as required under this Agreement, Franchisee is under no obligation to pay any commission based on the sale of the business (other than the applicable fees described elsewhere in this Agreement) to Franchisor unless Franchisor introduced the purchaser to Franchisee or in any way facilitated the sale of Franchisee's business to any prospective buyer. In this case, Franchisee shall pay to Franchisor a fee of ten percent (10%) of the final sales price, or \$2,500, whichever is greater. You also understand that a commission agreement does not constitute an exclusive listing with YGM, nor does it include any recommendation on listing price, nor will any member of the corporate team dedicate full-time attention to the sale at any point. This payment will be the duty and responsibility of the Franchisee, not the party purchasing Franchisee's business. This fee shall be added to the purchase price of the business, and payment shall be made to Franchisor at least 3 business days prior to the close of the sale. If payment is not made pursuant to this paragraph, the sale shall be voided pursuant to any and all of the Franchisor's rights under this Agreement.

14.05 Assignment to Corporation. A franchisee who is an individual may assign this Agreement without charge, once only, to a newly-formed corporation that will conduct no business other than the Franchised Business, which you actively manage, and in which you own and control all of the equity and voting power. Such assignment will not relieve you of your personal obligations to us under this Agreement. To effectuate this assignment, you and your corporation will execute a Corporate Assignment Agreement.

14.06 Death of Franchisee. Upon the death of an individual Franchisee, the rights granted by this Agreement may pass (without payment of any Transfer Fee) to the next of kin or legatees, provided that

Franchisee's legal representatives will within one hundred twenty (120) calendar days of Franchisee's death apply in writing to Franchisor for the right to transfer to the next of kin or legatee Franchisee's rights under this Agreement. Franchisor will not unreasonably withhold permission so long as the proposed transferees meet each of the then-current requirements of franchisees.

14.07 Right of First Refusal. Franchisee grants Franchisor the right to purchase the Business on the same terms and conditions specified in a bona fide written offer from a qualified third party. Within seven (7) days after receipt of the bona fide offer acceptable to Franchisee to transfer all or part of the Business, Franchisee must forward a signed copy of the written offer to Franchisor. Franchisor will then have access to all Franchisee's Business Records in order to evaluate the offer, and may purchase the Business upon notification to Franchisee within fifteen (15) days. If we begin negotiations to purchase your You've Got MAIDS Business or Business Assets, you must continue negotiating until we have agreed in writing that negotiations have terminated.

14.08 Election of Right / Set Offs. If Franchisor elects to exercise its option to purchase under this Agreement, Franchisor will have the right to set off against any payment all amounts due from Franchisee under this Agreement and the cost of the appraisal, if any.

14.09 Rights After Refusal. If Franchisor does not exercise its right to purchase within the required timeframe, Franchisee may transfer the Business to the third party, but not at a lower price or on more favorable terms than disclosed to Franchisor in writing. Such transfer remains subject to Franchisor's prior written approval and other conditions specified in this Agreement. If Franchisor does not transfer the franchised Business to the transferee on the same terms offered to Franchisor, then Franchisee must again extend the right of first refusal to Franchisor in the manner described above, before another desired transfer.

15. GENERAL PROVISIONS

15.01 Covenants Not to Compete. During the term of this Agreement and for twenty-four (24) months after termination, transfer, or expiration of this Agreement for any reason, neither Franchisee, nor persons associated with Franchisee, including owners, managers, employees or agents, may participate directly or indirectly or serve in any capacity in any business engaged in the sale of services or products the same as, similar to, or competitive with the System. This covenant not to compete applies: (i) during the term of the Agreement, anywhere in the U.S.A.; (ii)) after termination, transfer, or expiration of the Agreement, inside or within seventy-five (75) miles from the boundary of Franchisee's Protected Territory defined in Exhibit A, or inside or within seventy-five (75) miles from the boundary of any franchised, Franchisor-owned or affiliated company-owned territory; (iii) on the Internet; and (iv) on any other Multi-Area Marketing channels used by Franchisor.

This covenant not to compete is given in part in consideration for training and access to Franchisor's Trade Secrets, and which, if used in a competitive business without paying royalties and other payments, would give Franchisee an unfair advantage over Franchisor and Franchisor's franchisees and affiliates. The unenforceability of all or part of this covenant not to compete in any jurisdiction will not affect the enforceability of this covenant not to compete in other jurisdictions, or the enforceability of the remainder of this Agreement.

15.02 Stock Ownership. Nothing in this Section will prevent any active officer of Franchisee or member of Franchisee's family either individually or collectively, from owning not more than a total of five percent (5%) of the stock of any company, which is subject to the reporting requirements of Sections 11 or Subsection 14(d) of the Securities and Exchange Act of 1934.

16. DISPUTE RESOLUTION

For purposes of this Section 16, "you" includes all of your owners, Affiliates and their respective employees, and "we" includes all of the "Franchisor-Related Persons/Entities."

16.01 Dispute Resolution. Except as provided in Sections 16.2 and 16.3, all controversies, disputes, claim, and matters in question arising between you and us, arising out of, or relating to this Agreement or the breach thereof or our and your relationship, shall be decided by arbitration in accordance with the then current Commercial Arbitration rules of the American Arbitration Association. Either party may apply to the American Arbitration Association for a determination of the dispute as set forth in the notification thereof by the originating party. The parties agree that the arbitration shall take place in the county where our then current headquarters is located, and shall be governed by the Federal Arbitration Act, and shall be final and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof, including a federal district court, pursuant to the Federal Arbitration Act. The fees and expenses of the arbitrator shall be shared equally by both parties. In preparation for the arbitration hearing, each party may utilize all methods of discovery authorized by the Federal Rules of Civil Procedure, and may enforce the right to such discovery in the manner provided by said Rules.

16.02 Exceptions to Arbitration. Controversies, disputes and matters in question regarding the filing of any report and the payment of any fees or other sums required to be paid by the Franchisee, may be excludable from the foregoing arbitration procedure, at the sole option of YGM Franchise LLC, and YGM Franchise LLC may commence the appropriate action the appropriate state court located in the county where its then current headquarters is located or the appropriate federal court pursuant to Section 18.09.

16.03 Injunction. You explicitly affirm and recognize the unique value and secondary meaning attached to the YGM System and Proprietary Marks. Accordingly, you agree that any non-compliance by you with the terms of this Agreement, or any unauthorized or improper use of the YGM System or the Proprietary Marks by you will cause irreparable damage to us and other YGM franchisees. You therefore agree that if you engage in this non-compliance or unauthorized and/or improper use of the YGM System or Proprietary Marks, during or after the period of this Agreement, we will be entitled to both temporary and permanent injunctive relief against you from any court of competent jurisdiction, in addition to all other remedies which we may have at law. You consent to the entry of these temporary and permanent injunctions.

17. RELATIONSHIP OF THE PARTIES

17.01 Independent Contractor. Franchisee is an independent contractor and is not an agent, partner, joint venture, or beneficiary of Franchisor, nor is Franchisor a fiduciary of Franchisee. Neither party will be bound or obligated by the other, except as set forth in this Agreement. Franchisee may not act as an agent in the Franchisor's name or on behalf of the Franchisor for any purpose.

17.02 Operations and Identification. Franchisee must conspicuously identify itself in all dealings with the public as "independently owned and operated" separate from Franchisor. Franchisee's employees are employees of the Franchisee alone and are not, for any purpose, considered employees under the control of Franchisor. Franchisor and Franchisee must file separate tax, regulatory, and payroll reports for each party's own operations, and must indemnify the other for any liability arising from the other's reports.

18. MISCELLANEOUS

18.01 Entire Agreement. This Agreement, together with all written related agreements, exhibits and attachments, constitutes the entire understanding of the parties and supersedes all prior negotiations, commitments, and representations; provided, however, that nothing in this sentence is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document that Franchisor provided to Franchisee.

18.02 Modification. No modifications of the terms of this Agreement shall be valid unless made in writing and executed by both Franchisor and Franchisee. However, the Manual may be periodically modified by Franchisor and shall be fully enforceable against Franchisee.

18.03 Waiver. Franchisor's waiver of any particular right by Franchisee will not affect or impair Franchisor's rights as to any subsequent exercise of that right of the same or a different kind; nor will any delay, forbearance or omission by Franchisor to execute any rights affect or impair Franchisor's rights as to any future exercise of those rights.

18.04 Severability. If any part of this Agreement, for any reason, is declared invalid by an arbitrator or court, the declaration will not affect the validity of any remaining portion. The remaining portion will remain in force and effect as if this Agreement were executed with the invalid portion eliminated or curtailed. All partially valid and enforceable provisions shall be enforced to the extent that they are valid and enforceable.

18.05 Conflict with Local Law. If any provision of this Agreement is inconsistent with a valid applicable law, the provision will be deemed amended to conform to the minimum standards required. The parties may execute an Addendum setting forth certain of these amendments applicable in certain jurisdictions, which will apply only so long as and to the extent that then applicable laws referred to in the addendum remain validly in effect.

18.06 Section Headings. Titles of articles and sections are used for convenience of reference only and are not part of the text, nor are they to be construed as limiting or affecting the construction of the provisions.

18.07 Cost of Enforcement. Franchisor will be entitled to recover from Franchisee reasonable attorneys' fees, expert fees, court costs and all other expenses of litigation, if Franchisor prevails in any action instituted against Franchisee to secure or protect our rights under this Agreement, or to enforce the terms of this Agreement, or in any action commenced or joined in by Franchisee against Franchisor.

18.08 Governing Law. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§1 et seq.). Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051 et seq.) or other federal law, this Agreement, all relations between the parties, and any and all disputes between the parties, whether sounding in contract, tort or otherwise, is to be exclusively construed in accordance with and/or governed by (as applicable) the law of the State of South Carolina, without recourse to South Carolina (or any other) choice of law or conflicts of law principles. If, however, any provision of this Agreement would not be enforceable under the laws of South Carolina, and if the franchised Business is located outside South Carolina and the provision would be enforceable under the laws of the state in which the franchised Business is located, then the provision (and only that provision) will be interpreted and construed under the laws of that state. Nothing in this Section 18.08 is intended to invoke the application of any franchise, business opportunity, antitrust, "implied covenant", unfair competition, fiduciary or any other doctrine of law of the State of South Carolina or any other state, which would not otherwise apply.

18.09 Venue. Any litigation out of or related to this Agreement, any breach of this Agreement, the relations between the parties and any and all disputes between the parties, whether sounding in contract, tort, or otherwise, that are excluded from Dispute Resolution procedure contained in Section 16.01, will be instituted exclusively in a state court of competent jurisdiction in Charleston County, South Carolina, or federal court for

the Federal District of South Carolina located in Charleston, South Carolina, or the location of Franchisor's headquarters, if located outside the State of South Carolina. Franchisee agrees that any dispute as to the venue for this litigation will be submitted to and resolved exclusively by a court of competent jurisdiction situated in South Carolina, or the location of our headquarters, if outside the State of South Carolina. Franchisee hereby waives and covenants never to assert or claim that this venue is for any reason improper, inconvenient, prejudicial or otherwise inappropriate (including, without limitation, any claim under the judicial doctrine of "forum non conveniens").

18.10 Punitive Damages. In no event will Franchisor ever be liable to Franchisee for punitive damages in any action or proceeding arising out of or relating to this Agreement; any breach, termination, cancellation or non-renewal of this Agreement; or, in any other action or proceeding whatsoever between the parties to this Agreement and/or any of their affiliates. Franchisee hereby waives and covenants never to advance any such claim for punitive damages.

18.11 Waiver of Jury Trial. FRANCHISEE HEREBY WAIVES ANY RIGHT TO A JURY TRIAL WITH RESPECT TO THIS AGREEMENT AND/OR ANY MATTERS ARISING HEREUNDER.

18.12 Obligations. Franchisor has no liability for Franchisee's obligations to any third party.

18.13 Continuation of Agreement. The provisions of this Agreement, which by their terms or by reasonable implication require performance by Franchisee after assignment, expiration or termination, remain enforceable notwithstanding the assignment, expiration or termination of this Agreement, including those pertaining to non-competition, intellectual property protection, confidentiality and indemnity. This Agreement inures to the benefit of and is binding on the respective heirs, legal representatives, successors, and permitted assigns of the parties.

18.14 Delivery. Delivery. Except as otherwise provided in this Agreement, any notice, demand, communication or notice of default or of termination provided for herein must be delivered in electronic form via email to an authorized email address as follows:

1. If intended for us, sent to franchise@youvegotmaids.com;

2. If intended for you, sent to your assigned You've Got Maids email address;

or, in either case, to such other email or mailing address as may have been designated by notice to the other party. Notices for purposes of this Agreement will be deemed to have been received if sent or delivered as provided in this Section.

18.15 Joint and Several Liability. If two or more persons or entities or any combination sign this Agreement, each will have joint and several liability. All owners and controllers of an entity or association which comprise the Franchisee are jointly and severally liable for the obligations of the Franchisee under this Agreement.

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

18.17 Set Off. Franchisee may not set off any amounts owed to Franchisor under this Agreement nor may Franchisee withhold any amounts owed to Franchisor due to any alleged non-performance by Franchisor under this Agreement. Franchisee waives any right to set off.

18.18 Enforcement. You acknowledge that any failure by you to comply with the terms of this Agreement could cause us irreparable harm that may not be compensable by the payment of money; and therefore, you agree that we will be entitled to appoint a receiver of the Franchised Business and to seek to obtain declarations, temporary and permanent injunctions, and orders of specific performance enforcing the provisions of this Agreement related to your use of the Marks, your obligations on termination or expiration of this Agreement, and assignment of this Agreement, and to prohibit any act or omission by you, or any employee of yours, that constitutes a violation of

any applicable law, by-law, or regulation, is dishonest or misleading to You've Got MAIDS customers or prospective customers; or constitutes a danger to employees, customers, or to the public; or that may impair the good will associated with the Marks. If we secure any such injunction, declaration, or order of specific performance, or bring any proceeding to enforce the provisions of this Agreement, you agree to pay us an amount equal to the aggregate of our reasonable costs of obtaining such relief including, without limitation, attorneys and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, travel and living expenses, and any damages related to the breach of any such provision.

18.19 Withholding Payments. You will not, for any reason, withhold payment of any Royalty Fees, Advertising Fees, or any other fees or payments due to us under this Agreement. You will not have the right to withhold or offset any liquidated or unliquidated amounts, damages, or other monies allegedly due to you by us against any Royalty and Service Fees, Advertising Fees, or any other fees due to us under this Agreement. No endorsement or statement on any check or payment of any sum less than the full sum due to us will be construed as an acknowledgement of payment in full or an accord and satisfaction, and we may accept and cash such check or payment without prejudice to our right to recover the balance due or pursue any other remedy provided in this Agreement or by law. We may apply any payments you make against any of your past due indebtedness as we deem appropriate. We may set off sums we owe you against any unpaid debts you owe us.

18.20 Independent Contractors. The parties to this Agreement are independent contractors and no training supervision, or assistance we give will be deemed to negate such independence. You acknowledge that the success of the Franchised Business depends substantially on your own efforts and on circumstances beyond our control, such as general economic conditions and the economic conditions in your Operating Territory, and you hereby assume the sole responsibility for its success or failure. You will conspicuously identify yourself at the Franchised Business premises as the owner or tenant, as the case may be, of the premises and a licensed franchisee of ours. Neither party to this Agreement will make any agreements, representations, or warranties, except by us in advertising as provided for in this Agreement, in the name of, or on behalf of, the other, or that their relationship is other than that of franchisor and franchisee; neither party hereto will be obligated by nor has any liability for, any agreements, representations, or warranties made by the other, except by us in advertising as provided in this Agreement; nor will we be liable to any damages to any person or property, directly or indirectly, related to your operation of the Franchised Business. We will have no liability for any sales, use, excise, income, property, or other tax levied on the Franchise Business or its assets related to the services you perform.

18.21 Schedules. The following Schedules form part of this Agreement:

- Exhibit A - Description of Your Protected Territory
- Exhibit B - State-Specific Amendments
- Exhibit C – Compliance
- Exhibit D – Telephone Listing Agreement
- Exhibit E - Bank Draft Authorization Form
- Exhibit F – Software Agreement
- Exhibit G – Disclosure Acknowledgement Statement
- Exhibit H – Promissory Note
- Exhibit I – Legal Ownership
- Exhibit J – General Release

18.22 Acknowledgements. You hereby acknowledge and affirm that you have:

- a) Received a copy of our complete Disclosure Document required by the Federal Trade Commission and the governing authorities of the state in which the Operating Territory will be located at least

fourteen (14) calendar days prior to the date on which you executed this Agreement or paid any consideration;

- b) Read and understood this Agreement, and all related agreements, before signing this Agreement;
- c) Been accorded ample time and opportunity to consult with advisors of your own choosing before signing this Agreement;
- d) Received a copy of this Agreement in final form at least five (5) business days before signing it;
- e) Received no representations, promises, guarantees, projections, or warranties of any kind from us to induce the execution of this Agreement or related to this Agreement except as specifically set forth in writing in this Agreement; and
- f) Received no guarantee from us or any other party as to your success in the Franchised Business; and that the number of Qualified Households within the Operating Territory is not an indicator or predictor of future success.

18.23 Completion of Agreement. The parties agree to acknowledge, execute and deliver all further documents, instruments or assurances and to perform all further acts or deeds as may be reasonably required to carry out this Agreement.

ACKNOWLEDGMENT

BY SIGNING THIS AGREEMENT, FRANCHISEE ACKNOWLEDGES THAT:

FRANCHISEE HAS CONDUCTED AN INDEPENDENT INVESTIGATION OF THE YGM SYSTEM AND RECOGNIZES THAT THE BUSINESS CONTEMPLATED BY THIS AGREEMENT INVOLVES BUSINESS RISK AND WILL LARGELY DEPEND UPON THE ABILITY OF FRANCHISEE AS AN INDEPENDENT BUSINESS PERSON; AND

FRANCHISOR HAS NOT GIVEN AND FRANCHISEE HAS NOT RECEIVED ANY EXPRESS OR IMPLIED WARRANTY OR GUARANTY REGARDING POTENTIAL VOLUME, PROFITS, OR SUCCESS OF THE BUSINESS CONTEMPLATED BY THIS AGREEMENT; AND

FRANCHISEE IS NOT A PARTY TO OR SUBJECT TO AGREEMENTS THAT MIGHT CONFLICT WITH THE TERMS OF THIS AGREEMENT AND AGREES NOT TO ENTER INTO ANY CONFLICTING AGREEMENTS DURING THE TERM OR ANY RENEWAL TERMS; AND

FRANCHISEE HAS RECEIVED THE FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE FEDERAL TRADE COMMISSION WITH APPLICABLE EXHIBITS AT LEAST FOURTEEN (14) CALENDAR DAYS BEFORE THE DATE ON WHICH THIS AGREEMENT WAS EXECUTED, AND HAS RECEIVED A COPY OF THE COMPLETE YGM FRANCHISE AGREEMENT AT LEAST SEVEN (7) CALENDAR DAYS BEFORE THE DATE ON WHICH THIS AGREEMENT WAS EXECUTED.

IN WITNESS WHEREOF, the parties have duly executed this Agreement.

US:_____

YOU:_____

By: Joseph Berger
Its: President

(Signature)

(Print Name)

EXHIBIT A TO THE FRANCHISE AGREEMENT | Protected Territory

Exhibit A to the Franchise Agreement Between
YGM FRANCHISE, LLC and <<Legal_Name>>

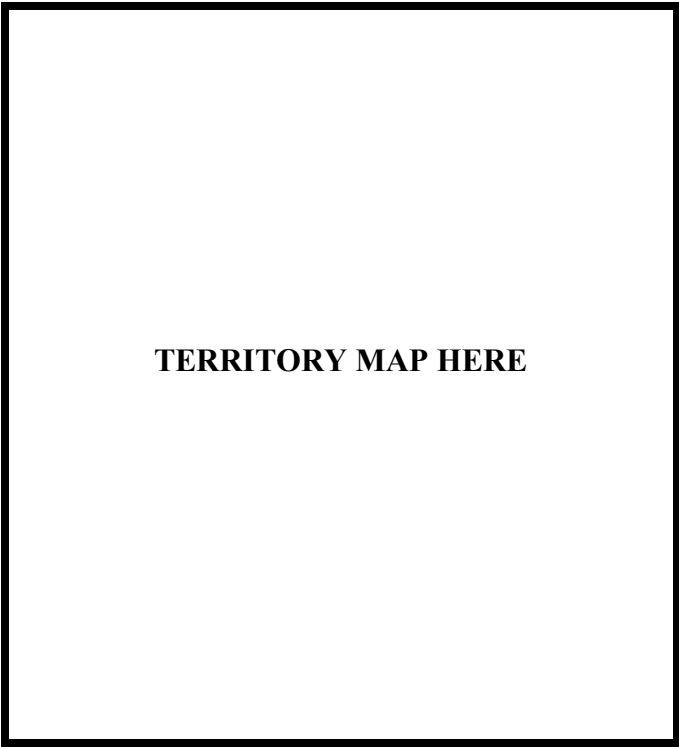
DESCRIPTION OF THE PROTECTED TERRITORY(IES)

The Protected Territory(ies) shown on the map below consists of the following zip codes:
Territory 1: <<z1>>, <<z2>>, <<z3 >>, <<z4>>, <<z5>>, <<z6>>, <<z7>>, <<z8>>, <<z9>>, <<z10>>
Territory 2 (if applicable): <<z11>>, <<z12>>, <<z13>>, <<z14>>, <<z15>>, <<z16>>, <<z17>>, <<z18>>, <<z19>>, <<z20>>

Your Principal Business Address is:

You are Purchasing _____ Qualified
Households @ \$0.69 per Qualified Household

Your Franchise Fee	\$6,999.00
Your Territory Fee	\$ _____
Your Initial Technology Fee	\$595.00
Wire Fee	\$20.00
TOTAL INITIAL FRANCHISE FEE	\$ _____



Geographic or political boundaries described above or delineated on this map will be considered fixed as of the date of the Franchise Agreement and will not change unless agreed to in writing by Franchisor for the purpose of this Agreement notwithstanding a change or reorganization to such boundaries or regions. All street boundaries will be deemed to end at the street center line unless otherwise so delineated or specified above.

YGM FRANCHISE, LLC

FRANCHISEE:

By: _____

By: _____

EXHIBIT B TO THE FRANCHISE AGREEMENT | State Specific Amendments

**ADDENDUM TO THE FRANCHISE AGREEMENT
YGM FRANCHISE LLC**

FOR THE STATE OF CALIFORNIA

This Addendum to the Franchise Agreement is agreed to this ____ day of __, 20__, between **YGM FRANCHISE LLC** and _____, of _____ to amend and revise said Franchise Agreement, dated the ____ day of __, 20__, as follows:

1. In recognition of the requirements of the California Franchise Investment Law, Cal. Corp. Code 31000-3516 and the California Franchise Relations Act, Cal. Bus. And Prof. Code 20000-20043, the Franchise Agreement for YGM FRANCHISE LLC shall be amended as follows:

- The parties acknowledge that the California Franchise Relations Act provides rights to the Franchisee concerning termination, transfer or non-renewal of the Franchise Agreement, which may supersede provisions in the Franchise Agreement, specifically Sections 3 and 13.
- Sections 13.01 and 14.04 require Franchisee to sign a general release as a condition of renewal, sale, and transfer of the franchise; the parties agree that such requirement shall exclude claims under California Corporations Code Section 31512, which voids a waiver of Franchisee's rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516).
- The parties acknowledge that Section 13 of the Franchise Agreement which terminates the Franchise Agreement upon the bankruptcy of the Franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).
- Section 13.05 of the Franchise Agreement contains a covenant not to compete, which extends beyond the expiration or termination of the Agreement; the parties acknowledge that this covenant may not be enforceable under California Business and Professional Code Section 16600.
- The California Franchise Relations Act makes void any provision of any agreement that purports to bind any person to waive compliance with the provisions of that Act. Accordingly, any provision in the Franchise Agreement inconsistent with the Act may not be enforceable.

2. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS THEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

YGM FRANCHISE, LLC

FRANCHISEE:

By: _____

By: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
YGM FRANCHISE LLC**

FOR THE STATE OF HAWAII

This Addendum to the Franchise Agreement is agreed to this ____ day of __, 20__, between **YGM FRANCHISE LLC** and _____, of _____ to amend and revise said Franchise Agreement, dated the ____ day of __, 20__, as follows:

1. In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Revised Statutes, Title 26, Chapter 482E *et seq.*, the Franchise Agreement for YGM FRANCHISE LLC shall be amended as follows:

- The parties acknowledge that the Hawaii Franchise Investment Law provides rights to Franchisee concerning non-renewal, termination, and transfer of the Franchise Agreement. If the Agreement, and more specifically Sections 3 and 13, contain a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.
- Sections 13.01 and 14.04 require Franchisee to sign a general release as a condition of renewal, sale, and transfer of the franchise; the parties agree that such release shall exclude claims arising under the Hawaii Franchise Investment Law.
- The parties acknowledge that Section 13 of the Franchise Agreement which terminates the Franchise Agreement upon the bankruptcy of the Franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independent of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS THEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

YGM FRANCHISE, LLC

FRANCHISEE:

By: _____

By: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
YGM FRANCHISE LLC**

FOR THE STATE OF ILLINOIS

This Addendum to the Franchise Agreement is agreed to this ____ day of __, 20__, between **YGM FRANCHISE LLC** and _____, of _____ to amend and revise said Franchise Agreement, dated the ____ day of __, 20__, as follows:

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

IN WITNESS THEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

YGM FRANCHISE, LLC

FRANCHISEE:

By: _____

By: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
YGM FRANCHISE, LLC**

FOR THE STATE OF INDIANA

This Addendum to the Franchise Agreement is agreed to this ____ day of __, 20__, between **YGM FRANCHISE LLC** and _____, of _____ to amend and revise said Franchise Agreement, dated the ____ day of __, 20__, as follows:

1. In recognition of the requirements of the Indiana Deceptive Franchise Practices Law, IC 23-2.2.7 and the Indiana Franchise Disclosure Law, IC 23-2-2-2.5, the Franchise Agreement for YGM FRANCHISE, LLC shall be amended as follows:

- Sections 13.01 and 14.04 of the Franchise Agreement do not provide for a prospective general release of claims against Franchisor which may be subject to the Indiana Deceptive Franchise Practices Law or the Indiana Franchise Disclosure Law. Such a release shall be inapplicable to Franchisee.
- Section 12.4 is amended to provide that Franchisee will not be required to indemnify Franchisor for any liability imposed upon Franchisor as a result of Franchisee's reliance upon or use of procedures or products which were required by Franchisor, if such procedures or products were utilized by Franchisee in the manner required by Franchisor.
- Section 18.05. is amended to provide that in the event of a conflict of law, the Indiana Franchise Disclosure Law, IC 23-2-2.5, and the Indiana Deceptive Franchise Practices Law will prevail.
- Section 16 is amended to provide that arbitration and/or any court proceeding between Franchisor and Franchisee shall, if required by Indiana Law, be conducted in Indiana or at a mutually agreed upon location.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Indiana Law applicable to the provisions are met in the Franchise Agreement independent of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS THEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

YGM FRANCHISE, LLC

FRANCHISEE:

By: _____

By: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
YGM FRANCHISE LLC**

FOR THE STATE OF MARYLAND

This Addendum to the Franchise Agreement is agreed to this ____ day of __, 20__, between **YGM FRANCHISE LLC** and _____, of _____ to amend and revise said Franchise Agreement, dated the ____ day of __, 20__, as follows:

1. In recognition of the requirements of the Maryland Franchise Registration and Disclosure Laws, Md. Code Ann., Bus. Reg. 14-201-14-233, the Franchise Agreement for YGM FRANCHISE LLC shall be amended as follows:

- Sections 13.01 and 14.04(b) require Franchisee to sign a general release as a condition of renewal, sale, and transfer of the franchise; the parties agree that such release shall exclude claims arising under the Maryland Franchise Registration and Disclosure Law and such representations are not intended to, nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.
- The parties acknowledge that Section 13 of the Franchise Agreement which terminates the Franchise Agreement upon the bankruptcy of the Franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).
- Section 18.05 of the Franchise Agreement requires that the franchise be governed by the laws of the State of South Carolina; the parties agree that in the event of a conflict of laws to the extent required by the Maryland Franchise Registration and Disclosure Law, the laws of the State of Maryland shall prevail.
- Sections 18.05 of the Franchise Agreement require litigation or arbitration to be conducted in the State of South Carolina; the parties agree that such requirement shall not limit any rights Franchisee may have under the Maryland Franchise Registration and Disclosure Law to bring suit in the State of Maryland.

2. Each provision of the Addendum shall be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum shall be deemed to

IN WITNESS THEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

YGM FRANCHISE, LLC

FRANCHISEE:

By: _____

By: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
YGM FRANCHISE LLC**

FOR THE STATE OF MINNESOTA

This Addendum to the Franchise Agreement is agreed to this ____ day of __, 20__, between **YGM FRANCHISE LLC** and _____, of _____ to amend and revise said Franchise Agreement, dated the ____ day of __, 20__, as follows:

1. In recognition of the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Sections 80C.01 through 80C.22, and the Rules and Regulations promulgated pursuant thereto by the Minnesota Commission of Securities, Minnesota Rule 2860.4400, *et seq.*, the parties to the attached Franchise Agreement agree as follows:

- Sections 3 and 13 shall be amended to add that: with respect to franchises governed by Minnesota Law, Franchisor will comply with the Minnesota Franchise Law which requires, except in certain specified cases, that a Franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice of non-renewal of the Agreement.
- Sections 13.01 and 14.04(b) do not provide for a prospective general release of claims against Franchisor which may be subject to the Minnesota Franchise Law. The parties agree that Minn. Rule 2860.4400D prohibits a franchisor for requiring a franchisee to assent to a general release and such release will be inapplicable to Franchisee.
- Section 6 shall be amended to add that: as required by Minnesota Franchise Act, Franchisor will reimburse Franchisee for any costs incurred by Franchisee in the defense of Franchisee's right to use the Marks, so long as Franchisee was using the Marks in the manner authorized by Franchisor and so long as Franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle, or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.
- Sections 16 and 18 shall be amended to add that: Minn. Stat. 80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee's rights to any procedure, forum or remedies provided for by the laws of the jurisdiction. Moreover, Franchisee cannot consent to the Franchisor obtaining injunctive relief, however Franchisor may seek injunctive relief.
- A Court will determine if a bond is required.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Minnesota Franchise Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments, thereto, the terms of this Addendum shall govern.

IN WITNESS THEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

YGM FRANCHISE, LLC

FRANCHISEE:

By: _____

By: _____

ADDENDUM TO THE FRANCHISE AGREEMENT

YGM FRANCHISE LLC

FOR THE STATE OF NEW YORK

This Addendum to the Franchise Agreement is agreed to this ____ day of __, 20__, between **YGM FRANCHISE LLC** and _____, of _____ to amend and revise said Franchise Agreement, dated the ____ day of __, 20__, as follows:

1. In recognition of the requirements of the General Business Laws of the State of New York, Article 33, 680 through 695, the Franchise Agreement for YGM FRANCHISE LLC shall be amended as follows:

- Sections 13.01 and 14.04(b) require Franchisee to sign a general release as a condition of renewal, sale, and transfer of the franchise; the parties agree that such release shall exclude claims arising under the New York General Business Laws.
- Section 14.02. of the Franchise Agreement will be amended to add that: Franchisor will not transfer and assign its rights and obligations under the Franchise Agreement unless the transferee will be able to perform the Franchisor's obligations under the Franchise Agreement, in Franchisor's good faith judgment, so long as it remains subject to the General Business Laws of the State of New York.
- Section 12.14 is amended to provide that: Franchisee will not be required to indemnify Franchisor for any liability imposed upon Franchisor as a result of Franchisee's reliance upon or use of procedures or products which were required by Franchisor, if such procedures or products were utilized by Franchisee in the manner required by Franchisor.
- Sections 16 and 18 of the Franchise Agreement require that the franchise be governed by the laws of the state of South Carolina; the parties agree that such a requirement will not be considered a waiver of any right conferred upon the Franchisee by Article 33 of the New York General Business Laws.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the New York Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS THEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

YGM FRANCHISE, LLC

FRANCHISEE:

By: _____

By: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
YGM FRANCHISE LLC**

FOR THE STATE OF NORTH DAKOTA

This Addendum to the Franchise Agreement is agreed to this ____ day of __, 20__, between **YGM FRANCHISE LLC** and _____, of _____ to amend and revise said Franchise Agreement, dated the ____ day of __, 20__, as follows:

1. The North Dakota Securities Commission requires that certain provisions contained in the Franchise Agreement be amended to be consistent with North Dakota Law, including the North Dakota Franchise Investment Law, North Dakota Century Code Addendum, Chapter 51-19, Sections 51-19-01 *et seq.* Such provisions in the Agreement are hereby amended as follows:

- The parties agree that refund and cancellation provisions provided in this Agreement will be inapplicable to franchises operating under the North Dakota Franchise Investment Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17. If Franchisor elects to cancel this Agreement, it shall be entitled to a reasonable fee for its evaluation of Franchisee and related preparatory work performed and expenses actually incurred.
- The parties agree that under Sections 13.01 and 14.04(b) of the Franchise Agreement, the execution of a general release upon sale, renewal or transfer will be inapplicable to franchises operating under the North Dakota Franchise Investment Law to the extent that such a release excludes claims arising under the North Dakota Franchise Investment Law.
- Section 13.05 is amended to add that: Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.
- Section 18.05 shall be amended to state that: in the event of a conflict of laws, North Dakota Law shall prevail.
- Sections 16 and 18 of the Franchise Agreement is amended to add that: any litigation may be brought in the appropriate state or federal court in North Dakota.
- Section 16.5 shall be deleted in its entirety.
- Section 16 of the Franchise Agreement shall be amended to state that: arbitration involving a franchise purchased in North Dakota must be held either in a location mutually agreed upon by the parties prior to the arbitration, or if the parties cannot agree on a location, the arbitrator will determine the location.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the North Dakota Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS THEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

YGM FRANCHISE, LLC

FRANCHISEE:

By: _____

By: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
YGM FRANCHISE LLC**

FOR THE STATE OF RHODE ISLAND

This Addendum to the Franchise Agreement is agreed to this ____ day of __, 20__, between **YGM FRANCHISE LLC** and _____, of _____ to amend and revise said Franchise Agreement, dated the ____ day of __, 20__, as follows:

1. In recognition of the requirements of The Rhode Island Franchise Investment Act 19-28.1-14, the Franchise Agreement for YGM FRANCHISE LLC shall be amended as follows:

- Sections 13.01 and 14.04(b) require Franchisee to sign a general release as a condition of renewal, sale, and transfer of the franchise; the parties agree that such release shall exclude claims arising under The Rhode Island Franchise Investment Act.
- Sections 16 and 18 shall be amended to add that: restricting jurisdiction or venue to a forum outside the state of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under The Rhode Island Franchise Investment Act.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Rhode Island Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS THEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

YGM FRANCHISE, LLC

FRANCHISEE:

By: _____

By: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
YGM FRANCHISE LLC**

FOR THE STATE OF VIRGINIA

This Addendum to the Franchise Agreement is agreed to this ____ day of __, 20__, between **YGM FRANCHISE LLC** and _____, of _____ to amend and revise said Franchise Agreement, dated the ____ day of __, 20__, as follows:

- The parties acknowledge that Section 13 of the Franchise Agreement which terminates the Franchise Agreement upon the bankruptcy of the Franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).

IN WITNESS THEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

YGM FRANCHISE, LLC

FRANCHISEE:

By: _____

By: _____

**ADDENDUM TO THE FRANCHISE AGREEMENT
YGM FRANCHISE LLC**

FOR THE STATE OF WASHINGTON

This Addendum to the Franchise Agreement is agreed to this ____ day of __, 20__, between **YGM FRANCHISE LLC** and _____, of _____ to amend and revise said Franchise Agreement, dated the ____ day of __, 20__, as follows:

1. In recognition of the requirements of the Washington Franchise Investment Protection Act, Washington Rev. Code 19.100.010 – 19.100.940, the Franchise Agreement for YGM FRANCHISE LLC shall be amended as follows:

- The Washington Franchise Investment Protection Act provides rights to Franchisee concerning non-renewal and termination of the Franchise Agreement. If the Franchise Agreement contains a provision that is inconsistent with the Act, the Act will control.
- Sections 13.01 and 14.04(b) require Franchisee to sign a general release as a condition of renewal, sale, and transfer of the franchise; the parties agree that such release shall exclude claims arising under the Washington Franchise Investment Protection Act.
- Section 18 of the Franchise Agreement requires that the franchise be governed by the laws of the State of South Carolina; the parties agree that such a requirement may be unenforceable in the event of a conflict with the Washington Franchise Investment Protection Act.
- Sections 16 and 18 of the Franchise Agreement requires arbitration to be conducted in the State of South Carolina; the parties agree that the arbitration site shall be either Washington or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

2. Each provision of the Addendum shall be effective only to the extent that the jurisdictional requirements of the Washington Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS THEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

YGM FRANCHISE, LLC

FRANCHISEE:

By: _____

By: _____

ADDENDUM TO THE FRANCHISE AGREEMENT
YGM FRANCHISE LLC
FOR THE STATE OF WISCONSIN

This Addendum to the Franchise Agreement is agreed to this ____ day of __, 20__, between **YGM FRANCHISE LLC** and _____, of _____ to amend and revise said Franchise Agreement, dated the ____ day of __, 20__, as follows:

1. The parties agree that the Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Sec. 135.01-135.07 will supersede any conflicting terms of the Franchise Agreement.

2. This provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Wisconsin Fair Dealership Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

3. The parties acknowledge that Section 13 of the Franchise Agreement which terminates the Franchise Agreement upon the bankruptcy of the Franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et. seq.).

4. In the event the Franchise Agreement is terminated by Franchisor, at Franchisee's option Franchisor will repurchase all inventories sold by Franchisor to Franchisee for resale under the Franchise Agreement at the fair wholesale market value. This applies only to merchandise that contains Franchisor's trade name, trademark, label, or other mark on it.

5. To the extent required by the Wisconsin Fair Dealership Law, Chapter 135, Section 135.04, the following provisions for notification by us to you shall apply if the Franchise Agreement is inconsistent with the aforesaid Section 135.04:

Except as provided in this section, Franchisor shall provide Franchisee at least 90 days' prior written notice of termination, cancellation, non-renewal or substantial change in competitive circumstances. The notice shall state all of the reasons for termination cancellation, non-renewal or substantial change in competitive circumstances and shall provide that Franchisee has sixty (60) days in which to rectify any claimed deficiency. If Franchisee rectifies the deficiency within 60 days, the notice shall be void. The notice provisions of this section shall not apply if the reason for termination, cancellation, non-renewal is insolvency, the occurrence of an assignment for the benefit of creditors or bankruptcy. If the reason for termination, cancellation, non-renewal or substantial change in competitive circumstances is nonpayment of sums due under the Franchise, Franchisee shall be entitled to written notice of such default and shall have ten (10) days in which to remedy such default from the date of delivery or posting of such notice.

IN WITNESS THEREOF, each of the undersigned hereby acknowledges having read this Addendum and understands and consents to be bound by all of its terms.

YGM FRANCHISE, LLC

FRANCHISEE:

By: _____

By: _____

EXHIBIT C TO THE FRANCHISE AGREEMENT | Compliance

TO BE COMPLETED BY THE FRANCHISEE'S PRINCIPAL OWNERS, SIGNED AND RETURNED TO FRANCHISOR WITH THE FRANCHISE AGREEMENT

You, as an individual owner, or shareholder, owner, partner, or member of the franchise entity ("Franchisee") and YGM Franchise, LLC (the "**Franchisor**") are preparing to enter into a Franchise Agreement for the development and operation of a "You've Got Maids®" franchised location. We refer to the Franchise Agreement as the "Franchise Agreement." The purpose of this Questionnaire is to confirm that you have reviewed the Franchise Agreement in its entirety and agree to all of the terms contained therein.

Do you understand that all disputes or claims you may have arising out of or relating to the Franchise Agreement must be heard in the courts of South Carolina and Charleston County (if not resolved informally or by mediation) unless your state's franchise laws require that such state's laws apply?

☐Yes ☐No

Do you understand that any territorial rights you may have been granted are subject to limitations and exceptions?

☐Yes ☐No

Do you understand that the success or failure of your franchised You've Got Maids® will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors?

☐Yes ☐No

Has any employee or other person speaking on behalf of the Franchisor made any statement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity on your behalf) concerning the actual or possible revenues, profits or operating costs of a You've Got Maids® operated by the Franchisor or any of its franchisees, that is contrary to the information contained in the FDD?

☐Yes ☐No

Has any employee or other person speaking on behalf of the Franchisor made any statement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity on your behalf) regarding the amount of money you may earn in operating the You've Got Maids® as a franchised business?

☐Yes ☐No

Has any employee or other person speaking on behalf of the Franchisor made any statement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity on your behalf) regarding the costs you may incur in operating the You've Got Maids® that is contrary to or different from, the information contained in the FDD?

☐Yes ☐No

Has any employee or other person speaking on behalf of the Franchisor made any statement, agreement or promise to you (or, to the best of your knowledge, information and belief, to any person or entity on your behalf) concerning the advertising, marketing, training, support service or assistance that the Franchisor will furnish to you that is contrary to, or different from, the information contained in the FDD?

☐Yes ☐No

Do you agree that you received and personally reviewed Franchisor's Franchise Disclosure Document ("FDD") at least 14 calendar days before you signed any agreements with Franchisor or paid any money or other consideration to Franchisor and/or its affiliates (except if you are a prospect in NY or RI the earlier of first personal meeting or 10 business days before signing a binding agreement or making a payment or if a prospect in Michigan 10 business days before signing a binding agreement or making a payment)?

☐Yes ☐No

Do you agree that you received the final Franchise Agreement with all blanks completed at least seven (7) calendar days before completing this Compliance Certification and before signing any agreement with Franchisor or any of its affiliates?

☐Yes ☐No

Do you understand that the success or failure of your business will depend in large part upon your skills and experience, your business acumen, your location, the local market for products and services under the You've Got Maids® trademarks, interest rates, the economy, inflation, the number of employees you hire and their compensation, competition and other economic and business factors? Further, do you understand that the economic and business factors that exist at the time you commence operations of your business may change?

☐Yes ☐No

Have you received and personally reviewed the Franchise Agreement and each related agreement attached to it?

☐Yes ☐No

Do you understand all of the information contained in the Franchise Agreement and each related agreement provided to you?

☐Yes ☐No

If No, what parts of the Franchise Agreement and/or related agreement do you not understand? (Franchisee to complete by writing in comments. Attach additional pages, as needed.)

Do you understand that the Franchise Agreement contains a number of provisions that may affect your legal rights, including designated locations or states for mediation and any judicial proceedings, a waiver of a jury trial, and other waivers and limitations?

☐Yes ☐No

Do you understand all of the information contained in the FDD and any state-specific disclosures and/or state-specific addendums included in the FDD?

☐Yes ☐No

If No, what parts of the FDD and/or state-specific disclosures and/or state-specific addendums do you not understand? (Attach additional pages, as needed).

Have you discussed with an attorney, accountant, or other professional advisor the benefits and risks of establishing and operating a You've Got Maids® as a franchised business?

☐Yes ☐No

If No, do you wish to have more time to do so?

☐Yes ☐No

IN WITNESS WHEREOF, the parties have duly executed this Agreement.

YGM FRANCHISE, LLC:

FRANCHISEE:

By: _____

(Signature)

Joseph Berger

Its: President

(Print Name)

EXHIBIT D TO THE FRANCHISE AGREEMENT | Telephone Listing Agreement

COLLATERAL ASSIGNMENT OF TELEPHONE NUMBERS, ADDRESSES, AND LISTINGS

THIS ASSIGNMENT is entered into this day of ____, 20 __, in accordance with the terms of that certain YGM FRANCHISE, LLC Franchise Agreement (the “Franchise Agreement”) between __ (“Franchisee”) and YGM FRANCHISE, LLC, a South Carolina corporation (“Franchisor”), executed concurrently with this Assignment, under which Franchisor granted Franchisee the right to own and operate a YGM Franchise located at ____ (the “Franchise Business”).

FOR VALUE RECEIVED, Franchisee hereby assigns to Franchisor all of Franchisee’s right, title and interest in and to those certain telephone numbers, addresses, domain names, locators, directories and listings (collectively, the “Numbers, Addresses, and Listings”) associated with Franchisor’s trade and service marks and used from time to time in connection with the operation of the Franchise Business at the address provided above. This Assignment is for collateral purposes only and, except as specified herein, Franchisor shall have no liability or obligation of any kind arising from or in connection with this Assignment, unless Franchisor shall notify the telephone, Internet, email, electronic network, directory, and listing entities with which Franchisee has dealt (all such entities are collectively referred to herein as “Provider Companies”) to effectuate the assignment according to the terms hereof.

Upon termination or expiration of the Franchise Agreement (without renewal or extension), Franchisor shall have the right and is hereby empowered to effectuate the Assignment of the Numbers, Addresses, and Listings and, in such event, Franchisee shall have no further right, title or interest in the Numbers, Addresses, and Listings, and shall remain liable to the Provider Companies for all past due fees owing to the Provider Companies on or before the effective date of the assignment hereunder.

Franchisee agrees and acknowledges that as between Franchisor and Franchisee, upon termination or expiration of the Franchise Agreement, Franchisor shall have the sole right to and interest in the Numbers, Addresses, and Listings, and Franchisee appoints Franchisor as Franchisee’s true and lawful attorney-in-fact to direct the Provider Companies to assign same to Franchisor and execute such documents and take such actions as may be necessary to effectuate the assignment. Upon such event, Franchisee shall immediately notify the Provider Companies to assign the Numbers, Addresses, and Listings to Franchisor. If Franchisee fails to promptly direct the Provider Companies to assign the Numbers, Addresses and Listings to Franchisor, Franchisor shall direct the Provider Companies to effectuate the assignment contemplated hereunder to Franchisor. The parties agree that the Provider Companies may accept Franchisor’s written direction, the Franchise Agreement or this Assignment as conclusive proof of Franchisor’s exclusive rights in and to the Numbers, Addresses, and Listings upon such termination or expiration and that such assignment shall be made automatically and effective immediately upon Provider Companies’ receipt of such notice from Franchisor or Franchisee. The parties further agree that if the Provider Companies require that the parties execute the Provider Companies’ assignment forms or other documentation at the time of termination or expiration of the Franchise Agreement, Franchisor’s execution of such forms or documentation on behalf of Franchisee shall effectuate Franchisee’s consent and agreement to the assignment. The parties agree that at any time after the date hereof they will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the assignment described herein upon termination or expiration of the Franchise Agreement.

ASSIGNEE
YGM FRANCHISE, LLC:

ASSIGNOR
FRANCHISEE:

By: _____

Joseph Berger

Its: President

(Signature)

(Print Name)

EXHIBIT E TO THE FRANCHISE AGREEMENT | Bank Account Debit Authorization

YGM Franchise, LLC AUTHORIZATION AGREEMENT FOR PREAUTHORIZED PAYMENT SERVICE

I (or We if there are joint owners of the account referenced later in this agreement) authorize and request YGM FRANCHISE, LLC (the “**Company**”) to debit on every Tuesday from Franchise Owner’s bank account, the amount of Royalty, Marketing, and any Late Fees or Interest, due to the Company based on Gross Sales of the above referenced You’ve Got Maids® franchise for each and every preceding week, beginning on Monday and ending on Sunday, in accordance with the provisions of the Franchise Agreement executed between the Company and Franchisee. I (we) authorize and request the financial institution, now referred to as the Bank, to accept the payment entries presented to the Bank and to deduct them from my (our) account without responsibility for the correctness of these payments.

Franchisee Information:

Franchisee Name: _____ Franchisee Office No.: _____

Your Bank Account Information:

*** Please attach a voided check and we will complete this information for you. ***

Transit Routing Number: _____ Checking Account Number: _____

Bank Name: _____ Bank Address: _____

Your Name(s): _____
(please print)

Account Name: _____
(please print)

Signature(s): _____

Date Signed: _____

EXHIBIT F TO THE FRANCHISE AGREEMENT | Software Agreement

END USER LICENSE AGREEMENT FOR You've Got Maids® SOFTWARE

END-USER LICENSE AGREEMENT ("Agreement" or "EULA") FOR You've Got Maids® SOFTWARE

IMPORTANT-READ CAREFULLY: You've Got Maids® has developed an online business management software system used in connection with the operation of a You've Got Maids® BUSINESS. This EULA is a legal agreement between you (either an individual or a single entity) and You've Got Maids® which includes this computer software, the associated media, any printed materials, and any "online" or electronic documentation. If you do not agree to the terms of this EULA, You've Got Maids® is unwilling to license the SOFTWARE to you. In such event, you may not use or copy the SOFTWARE, and you should promptly contact You've Got Maids® for instructions on returning the SOFTWARE.

SOFTWARE LICENSE

The SOFTWARE is protected by copyright laws and international copyright treaties, as well as other intellectual property laws and treaties. The SOFTWARE is licensed, not sold.

1. **GRANT OF LICENSE.** This EULA grants you the following rights:
 - a. **Software Use.** You may only one copy of the SOFTWARE on one computer using a Virtual Private Network (like Hamachi) that is capable of establishing direct links between your computer and the You've Got Maids® server (the "SERVER"). You may allow a user to access and use the SOFTWARE on the SERVER from another computer over an internal network, if you have paid You've Got Maids® license fee for that user. You must pay You've Got Maids® license fee for each person that accesses the SOFTWARE.
 - b. **Back-up Copy.** Since your database will sit on the server you will not be able to create a back-up copy of the SOFTWARE.
2. **DESCRIPTION OF OTHER RIGHTS AND LIMITATIONS.**
 - a. **Limitations on Reverse Engineering, Decompilation and Disassembly.** You may not reverse engineer, decompile, or disassemble the SOFTWARE, except and only to the extent that such activity is expressly permitted by applicable law notwithstanding this limitation.
 - b. **Rental.** You may not rent, lease, or lend the SOFTWARE.
 - c. **Software Transfer.** You are not allowed to transfer the software.
 - d. **Termination.** Without prejudice to any other rights, You've Got Maids® may terminate your right to use the SOFTWARE under this EULA if you fail to comply with the terms and conditions of this EULA. In such event, you must destroy all copies of the SOFTWARE and all of its component parts.
3. **COPYRIGHT.**
 - a. All title and copyrights in and to the SOFTWARE (including but not limited to any images, photographs, animations, video, audio, music, text and "applets" incorporated into the SOFTWARE), the accompanying printed materials, and any copies of the SOFTWARE, are owned by You've Got Maids®. You may not copy the printed materials accompanying the SOFTWARE. All rights not specifically granted under this EULA are reserved by You've Got Maids®.
4. **SOFTWARE MEDIA.**
 - a. You may receive the SOFTWARE in more than one medium. Regardless of the type or size of medium you receive, you may use only one medium that is appropriate for the SERVER. You may not use or install the other medium on another computer. You may not loan, rent, lease, or otherwise

transfer the other medium, except as part of the permanent transfer (as provided above) of the SOFTWARE.

5. EXPORT RESTRICTIONS.

- a. You agree that neither you nor your customers intend to or will, directly or indirectly, export or transmit the SOFTWARE or related documentation or technical data to any country to which such export or transmission is restricted by any applicable U.S. regulation or statute, without the prior written consent, if required, of the Bureau of Export Administration of the U.S. Department of Commerce, or such other governmental entity as may have jurisdiction over such export or transmission.

6. LIMITED PRODUCT WARRANTY.

- a. You've Got Maids® warrants that the SOFTWARE will be free from material problems. You've Got Maids® will use commercially reasonable efforts in attempting to fix any material problems that you report to You've Got Maids® regarding the SOFTWARE. If we do not fix those problems within a reasonable time after you report those problems, our only obligation is to refund any license fees you have paid specifically for the software from 60 days prior to reporting of the problem.

7. LIMITED MEDIA WARRANTY.

- a. If you discover physical defects in the media, You've Got Maids® will replace the media or documentation at no charge to you, if you return the item to be replaced with proof of payment to You've Got Maids® during the 60-day period after having taken delivery of the SOFTWARE.

8. DISCLAIMER.

- a. The warranty and remedies set forth in Sections 7 and 8 above are exclusive and in lieu of all others, oral or written, expressed or implied. Neither You've Got Maids® nor any dealer, agent or employee is authorized to make any modifications or additions to this warranty. EXCEPT AS STATED IN SECTIONS 7 AND 8 OF THIS AGREEMENT, You've Got Maids® DISCLAIMS ALL WARRANTIES AND REPRESENTATIONS EITHER EXPRESSED OR IMPLIED, WITH RESPECT TO THIS SOFTWARE, ITS QUALITY, PERFORMANCE, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE OR NONINFRINGEMENT. EXCEPT AS STATED IN SECTION 7 AND 8, YOU, THE LICENSEE, ARE ASSUMING THE ENTIRE RISK AS TO THE SOFTWARE'S QUALITY AND PERFORMANCE.

9. LIMITED LIABILITY.

- a. In no event will You've Got Maids® be liable for indirect, special, incidental or consequential damages arising out of the use or inability to use the SOFTWARE or DATA, even if advised of the possibility of such damages. In no event will our liability exceed the license fees that you have paid for the SOFTWARE. In addition, You've Got Maids® shall have no liability for any DATA stored or processed with this SOFTWARE, including the costs of recovering such data.
- b. Some states do not allow the exclusion of implied warranties or liability for incidental or consequential damages, so the above limitation or exclusion may not apply to you.

10. LAW AND JURISDICTION.

- a. This Agreement is governed by the laws of the State of South Carolina, excluding its conflict of laws rules, and any action arising from or relating to this Agreement may only be brought in South Carolina. You agree to submit to the jurisdiction of courts of South Carolina.

IN WITNESS WHEREOF, the parties have duly executed this Agreement on this_day of, 20_____.

Signed in the presence of:

YGM FRANCHISE, LLC:

FRANCHISEE:

By: _____

(Signature)

Joseph Berger

Its: President

(Print Name)

EXHIBIT G TO THE FRANCHISE AGREEMENT | Disclosure Acknowledgement Statement

Disclosure Acknowledgment Statement

(To be completed by each signatory to the Franchise Agreement)

Through the use of this document, we desire to ascertain that you, _____ (legal name), understand and comprehend that the purchase of a You've Got Maids® franchise is a business decision, complete with its associated risks, and that it is the policy of YGM FRANCHISE, LLC to verify that you are not relying upon any oral statement, representations, promises, or assurances during the negotiations for the purchase of the franchise which have not been authorized by YGM FRANCHISE, LLC.

The undersigned and each of them, for themselves, their heirs, executors, administrators and other legal representatives (jointly and severally hereinafter sometimes referred to as "Guarantors"), warrant to YGM FRANCHISE, LLC that:

1. Guarantors recognize and understand that business risks, which exist in connection with the purchase of any business, make the success or failure of the franchise subject to many variables, including my skills and abilities, the hours I work, the competition, interest rates, the economy, terrorism, inflation, business location, operation costs, lease terms and costs and the market place. I hereby acknowledge my willingness to undertake these risks.
2. I acknowledge receipt to the YGM FRANCHISE, LLC. Uniform Franchise Disclosure Document and Exhibits. I acknowledge that I have had the opportunity to personally and carefully review these documents. Furthermore, I have been advised to seek professional assistance, to have professionals review the documents, and to consult with other franchise owners regarding the risks associated with the purchase of the franchise.
3. I agree and state that the decision to enter into this business risk is in no manner predicated upon any oral representations, assurances, warranties, guarantees, or promised made by YGM FRANCHISE, LLC. or any of its officers, employees, or agents (including franchise brokers) as to the likelihood of success of the franchise. I further acknowledge that I have not received any information for YGM FRANCHISE, LLC. or any of its officers, employees, or agents (including franchise broker) concerning actual, average, projected, or forecasted franchise sales, profits, or earnings, other than that which is contained in Item 19 of the Uniform Franchise Disclosure Document. If I believe that I have received any information concerning actual, average, projected, or forecasted franchise sales, profits, or earnings, I will describe them in the space below. *If no information concerning actual, average, projected, or forecasted franchise sales, profits, or earnings, other than those contained in Item 19, have been receive, please write "None."*

GUARANTORS

<<Name 1>>

Date: _____

<<Name 2>>

Date: _____

EXHIBIT H TO THE FRANCHISE AGREEMENT | Promissory Note

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EXHIBIT I TO THE FRANCHISE AGREEMENT | Legal Ownership

Franchisee has disclosed to YGM FRANCHISE, LLC the identities of the person(s), partnership(s), joint venture(s), corporation(s) limited liability companies or other business entities that own and control the Franchisee. Franchisee warrants and acknowledges that such disclosure has been a material consideration in entering into the Franchise Agreement, and that the information set forth in this Exhibit is true, accurate, and complete.

NAME INTEREST OWNED	TYPE OF OWNERSHIP (LEGAL OR BENEFICIAL) (If beneficial, name of Trustee)	PERCENTAGE OF
_____	_____	_____
_____	_____	_____
_____	_____	_____

If Franchisee is a corporation, list all officers and Directors and their respective mailing addresses.

NAME	ADDRESS	DIRECTOR/OFFICER
_____	_____	_____
_____	_____	_____
_____	_____	_____

If Franchisee is a limited liability company or partnership, list all members or all general and limited partners, their respective addresses, and the ownership interest in the Franchisee.

PARTNER (GENERAL OR LIMITED)	ADDRESS	OWNERSHIP INTEREST
_____	_____	_____
_____	_____	_____
_____	_____	_____

EXHIBIT J TO THE FRANCHISE AGREEMENT | General Release

GENERAL RELEASE

THIS GENERAL RELEASE OF LIABILITY is dated and effective _____, _____
("Effective Date") by and among YGM Franchise, LLC, a South Carolina corporation, ("Franchisor") and
_____, an individual residing at _____, or a _____ corporation ("Franchisee").

WHEREAS, Franchisor and Franchisee entered into that certain Franchise Agreement, dated _____,
("Franchise Agreement") for ownership and operation of a You've Got Maids® franchised business.

WHEREAS, Franchisor and Franchisee now desire to terminate such Franchise Agreement, in connection
with the termination, assignment or renewal of the franchise.

NOW THEREFORE, to acknowledge that any claims and issues which Franchisee may have had prior to
the date hereof have been fully resolved and as consideration for the termination/assignment or renewal of the
Franchise Agreement, and other good and valuable consideration, it is agreed as follows:

Franchisee, for himself/herself/themselves and each of his/her/their successors, representatives, assigns,
affiliates, principals, officers, directors, shareholders, subsidiaries, parents, agents, servants, employees,
executors, joint ventures, partners, employers, administrators, accountants and attorneys, and each of them, do
hereby absolutely, fully, jointly, and severally, and forever release, acquit, relieve, waive, relinquish, and
discharge Franchisor, and its respective successors, representatives, assigns, affiliates, principals, officers,
directors, shareholders, subsidiaries, parents, agents, servants, employees, executors, joint ventures, partners,
employers, administrators, accountants and attorneys from any and all claims, actual or alleged, and any and all
claims, actual or potential, whether known or unknown, whether fixed or contingent, whether actual or alleged,
and any and all causes of action arising from the beginning of time to the present, including all such claims arising
out of or relating to the Franchise Agreement. It is agreed that no provision set out above shall serve as a release,
estoppel or waiver of any liability that might be incurred under the Maryland Franchise Registration and
Disclosure Law.

Franchisee, severally and jointly, acknowledges that he/she/they may later discover facts, in addition to
or different from those which he/she/they know or believe to be true, with respect to the subject matter of the
Franchise Agreement, but that each intends to and does hereby fully and finally settle and release all claims as
provided herein.

IN WITNESS WHEREOF, the parties hereto have caused this Release of Liability Agreement to be
executed as of the day first written above. This release shall not apply to any liability under the Maryland
Franchise Registration and Disclosure Law.

YGM FRANCHISE, LLC:

FRANCHISEE:

Joseph Berger, President

Dated: _____

Dated: _____

In the presence of: _____

Witness

EXHIBIT D: List of Franchisees

(As of December 31, 2019)

Thomas Hill* You've Got Maids of Scottsdale 1010 W University Drive, Mesa, AZ 85201 480.969.6243	Thomas Hill and Charles Jordan* You've Got Maids of North Phoenix 15414 19th Avenue, Phoenix, AZ 85023 623.242.8363
Josh Melendez, Fernando Guterrez, and Cesar Guterrez You've Got Maids of Redondo Beach 2220 Torrance Blvd, Torrance, CA 90501 323.922.5326	Josh and Sandra Melendez* You've Got Maids of Brea 261 S. Lakeview Ave., Placentia, CA 92870 714.888.5354
Josh Melendez You've Got Maids of La Verne 2170 Arrow Highway, La Verne, CA 91750 626.225.0308	Fernando and Cesar Guterrez* You've Got Maids of Santa Monica 2500 Santa Monica Blvd., Santa Monica, CA 90404 818.646.6243
Fernando and Cesar Guterrez You've Got Maids of Sherman Oaks 1404 Ventura Boulevard, CA 91423 818.646.6243	Elizabeth Slade You've Got Maids of Malibu and Thousand Oaks 400 Rosewood Avenue, Unit 204, Camarillo, CA 93010 805.917.6243
Angela Knighton You've Got Maids of Arvada 6647 Upham Dr., Arvada, CO 80003 720.927.4463	Marion Denby You've Got Maids of Cape Coral 779 Tamiami Trail Port Charlotte, FL 33953 941.979.8462
Marion and Drew Denby You've Got Maids of Bradenton 779 Tamiami Trail Port Charlotte, FL 33953 941.979.8462	Bob and Earla Transue You've Got Maids of Lakeland 2729 Ewell Road Lakeland, FL 33811 888.624.3969
Patricia Porrata You've Got Maids of Boca Raton 141 NW 20th Street Boca Raton, FL 33431 561.409.4773	Marion Denby You've Got Maids of Sarasota 779 Tamiami Trail Suite #9 Port Charlotte, FL 33953 941.979.8462
Alma Guzman You've Got Maids of Tampa 220 W Brandon Blvd, Brandon, FL 33511 813.800.6243	Marion Denby You've Got Maids of Naples 779 Tamiami Trail Suite #9 Port Charlotte, FL 33953 941.979.8462

Carol Lewanda You've Got Maids of North Palm Beach 1209 U.S. Highway 1, Suite 315 North Palm Beach, FL 33408 561.440.6243	Edward and Maureen Nostrates You've Got Maids of South Jacksonville 11234 San Jose Blvd, Suite #6, Jacksonville, Florida 32223 904.891.0037
Christina Wolff Vidal You've Got Maids of Clearwater 2114 Drew St., Unit F, Clearwater, FL 33765 727.306.2437	Paul and Patricia Guilfoyle You've Got Maids of Orlando 5350 Curry Ford Rd Suite B, Orlando, FL 32812 407.737.7773
Denise and Christian Perez You've Got Maids of South Chicago 6743 W. 173rd Street; Unit 9, Tinley Park, IL 60477 708.532.5326	Mike Owens You've Got Maids of Carmel 4340 W. 96th Street, Suite 101 Indianapolis, IN 46268 317.875.7837
Chris Wolfe You've Got Maids of Ft. Wayne 121 Airport North Office Park Ft. Wayne, IN 46825 260.487.6243	Christina and Christopher Lacount You've Got Maids of Olathe 119 North Chester Street, Olathe, KS 66061 913.732.2111
Jacob Micheal Broussard You've Got Maids of Thibodaux 4266 West Main Street, Unit 100, Gray, LA 70359 985.282.2537	Anka and Sanjay Shirodkar* You've Got Maids of Annapolis 1993 Moreland Parkway, Unit 104, Annapolis, MD 21401 410.626.0706
Jami Schooley You've Got Maids of Canton 28501 Warren Rd, Garden City, MI 48135 734.338.2181	Scott and Michelle Miller* You've Got Maids of St. Charles 1108 Jungs Station Road St. Charles, MO 63303 636.922.5326
Samuel and Trudy Lewis You've Got Maids of Springfield 2200 East Sunshine, Ste #122, Springfield, MO 65804 417.882.5326	David Cornell You've Got Maids of Syracuse 3649 Erie Boulevard East, Syracuse, NY 13214 315.991.7005
Nicole Holder* You've Got Maids of Asheville 7D Glenn Bridge Rd, Ste D, Arden, NC 28704 818.824.5686	Andrey Andreoli and Alice Garbo You've Got Maids of Durham 2604 Carver Street, Suite C, Durham, NC 27705 919.822.9449
Phil Vernelson You've Got Maids of New Bern 300 S Jimmies Creek Rd, New Bern, NC 28562	Bruce Jurgensen* You've Got Maids of Carson City 1802 N. Carson St., Unit 159, Carson City, NV 89703

252.636.5151	717.204.3665
Brendon Eugene Walker You've Got Maids of Henderson 2616 Galimard Terrace, Henderson, NV 89044 702.848.6243	Brian Murphy & John Elden You've Got Maids of North Columbus 6074 Huntley Road Columbus, OH 43229 614.844.6243
Chris Anthony You've Got Maids of Toledo 5163 Bridlington Drive, Toledo, OH 43623 567.806.2437	Elsa and Bruce O'Brien You've Got Maids of Quakertown 93 South West End Blvd, Quakertown, PA 18951 215.529.7837
Chuck Connell and Mike Burt* You've Got Maids of Columbia 6911 North Trenholm Rd, Ste 4 Columbia, SC 29206 803.691.4648	Mike Burt* You've Got Maids of Hilton Head 3507 S. Oaktie Highway Hardeeville, SC 29927 912.239.5989
Melinda Orta You've Got Maids of Helotes 11301 Whisper Dawn, San Antonio, TX 78230 210.405.1885	Caprice Knight* You've Got Maids of San Antonio 141 Lanark Dr San Antonio, TX 78218 210.590.6243
Lorna Broomfield You've Got Maids of Sugar Land 9000 Southwest Freeway, Suite 180, Houston, TX 77074 713.777.8439	Becky Salinas You've Got Maids of McAllen 1315 Polk Street, Suite 30, Polk, TX 78552 956.686.2437
Moylam and Raul Wong You've Got Maids of Central Houston 1431 N Durham Dr, Houston, TX 77008 713.505.1613	Wes Kelley You've Got Maids of Katy 3880 Greenhouse Rd. Houston, TX 77084 281.599.7500
Cody Watson You've Got Maids of Frisco 7512 Main Street, Suite #205, The Colony, TX 75056 469.980.7785	Kerri and Sidney Parchman You've Got Maids of Amarillo 3012 SW 26th Avenue, Suite 600, Amarillo, TX 79109 806.418.6243
Mike and Natasha Magrath* You've Got Maids of Chantilly 21580 Atlantic Blvd, Ste 220B, Sterling, VA 20166 571.732.2199	Janet Goldstein You've Got Maids of Fairfax 10560 Main Street Fairfax, VA 22030 703.352.6243
Gurdal and Gizem Atsuren You've Got Maids of Seattle 19830 Aurora Ave N.,	Nalini Andrus You've Got Maids of Olympia 5307 66th Ave SE, Unit A,

Seattle, WA 98133 206.207.6243	Olympia, WA 98513 360.491.1558
Kim Haglund and Terry Hogan You've Got Maids of Milwaukee 5215 North Ironwood Road, Suite 111, Glendale, WI 53217 414.332.5326	Nicholas Moore You've Got Maids of Hudson 125 E Third Street, Suite 5, New Richmond, WI 54017 715.997.4463
Chad and Stephenie Maggard You've Got Maids of Fox Cities 2349 Bowen Street, Unit B, Oshkosh, WI 54901 920.385.1221	

*Denotes owner of multiple outlets

EXHIBIT E: Former Franchisees

(As of December 31, 2018)

David Spiers* You've Got Maids of North Phoenix 42323 N. Vision Way, Suite 109 Phoenix, AZ 85086	Andrew and Diana Kassan* You've Got Maids of Mesa 1010 W. University Dr #6, Mesa, AZ 85201 480.969.6243
Curtis Nettles* You've Got Maids of Redondo Beach 2220 Torrance Blvd, Torrance, CA 90501 323.922.5326	Rakesh Reddy You've Got Maids of Sacramento 1425 North Market Boulevard, Sacramento, CA 95834 916.640.0066
Mary Veloso* You've Got Maids of Glendale 418 S. Brand Blvd, Glendale, CA 91204 818.824.5686	Mary Veloso* You've Got Maids of Tri-Valley 2472 Armstrong St., Livermore, CA 94551 925.307.7076
Yovana Garcia and Hector Rodriguez* You've Got Maids of La Verne 2170 Arrow Highway, La Verne, CA 91750 626.225.0308	Paul Currie* You've Got Maids of East Denver 1701 W 64thLn, Denver, CO 80221 303.650.6243
Rick and Heather Way* You've Got Maids of South Pasco 17404 N HWY 41, Lutz FL 33549 813.536.0959	Ramon Paramo* You've Got Maids of Pensacola 515 E. Fairfield Pensacola, FL 32503 303.506.9743
Pat Serrano You've Got Maids of Weston 12525 Orange Dr, Davie, FL 33330 954.474.6243	Andrea Benfield-Dermauw* You've Got Maids of Fort Lauderdale 4360 Peters Road, Unit 4 Plantation, FL 33317 954.533.0126
Mary Ann and Dan McDevitt* You've Got Maids of St Petersburg 5520 58th Street North Kenneth City, FL 33709 727.317.5683	Aisha Miller* You've Got Maids of NWI 5241 Fountain Drive, Suite D, Crown Point, IN 46307
Joe Wallman You've Got Maids of Annapolis 1993 Moreland Parkway, Unit 104, Annapolis, MD 21401	Christian Kalthoff You've Got Maids of Buffalo 94 Kingsley Street Buffalo, NY 14208

410-626-0706	716.830.8461
Bala Pillai You've Got Maids of South Charlotte 9635 Southern Pine Blvd, Charlotte, NC 28273 980.785.3626	Michael Weiss You've Got Maids of Central Portland 14335 SW Allen Boulevard, Suite 110, Beaverton, OR 97005 503.992.6437
Chris Stobbart You've Got Maids of Cumberland 146 Waterman Ave North Providence, RI 02911 401.305.3682	Blake Hawkey You've Got Maids of Charleston 5639 Attaway Street Mt. Pleasant, SC 29406 843.805.7000
John Pitts* You've Got Maids of Columbia 11 Running Ridge Ct. Columbia, SC 29223	Shama Qureshi You've Got Maids of North Dallas 9995 Monroe Drive, Dallas, TX 75520 214.617.1771
Sergio and Wanda Mercado* You've Got Maids of San Antonio 141 Lanark Dr San Antonio, TX 78218 210.590.6243	Kemens Desruisseaux* You've Got Maids of Nashville 3708 Nolensville Pike, Nashville, TN 37211 619.933.3000
Chanelle Chase and Ryan Deane* You've Got Maids of Virginia Beach 931 Hill Street, Chesapeake, VA 23324	Rakesh Reddy You've Got Maids of Bellevue 10305 NE 16th Street, Bellevue, WA 98004 425.646.7837
Rakesh Reddy You've Got Maids of Tacoma 2719 E Main Avenue, Puyallup, WA 98372 253.770.6243	

*Denotes transfer of ownership

EXHIBIT F: Manual Table of Contents

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 - i. Insurance Requirement
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2. Operations: (36 pages)
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13. FAQ: (11 pages)

Total Pages: 216

EXHIBIT G: Non-Disclosure and Non-Competition Agreement

NONDISCLOSURE AND NONCOMPETITION AGREEMENT

This Nondisclosure and Noncompetition Agreement (“Agreement”) is made and entered into effective the ____ day of _____, 20__ by and between YGM Franchise, LLC., a South Carolina limited liability company (“Company”), located at __, and _____ (“Associate”), who resides at _____, and is associated with Franchisee of the Business as _____.

RECITALS

A. The Company is engaged in the business of selling franchises for the operation of a location to provide residential and commercial cleaning services (“Business”), known as “YGM” and “You’ve Got Maids®” (“Housekeeping Businesses”). The Business is operated under the Company’s service mark “YGM” aka “You’ve Got Maids®” and You’ve Got Maids® America’s Finest Maid Service and other service marks, trademarks, logo types, architectural designs, trade dress and other commercial symbols (collectively “Marks”);

B. The Company has developed methods for establishing, operating and promoting housekeeping businesses following the Company’s distinctive business format, plans, methods, data, processes, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, trademarks, proprietary marks and information and know-how of the Company (“Confidential Information”) and such Confidential Information as may be further developed from time to time by the Company;

C. The Company and its affiliates have established substantial goodwill and an excellent reputation with respect to the quality of housekeeping and cleaning services, which goodwill and reputation have been and will continue to be of major benefit to the Company;

D. Associate is or will become involved with the Company in the capacity of an officer, partner, director, agent, employee, principal, or as a beneficial owner of the person or entity that has acquired the right to operate a Business of the Company (“Franchisee”), or as an immediate family member of the Franchisee and will become privileged as to certain Confidential Information; and

E. Associate and the Company have reached an understanding with regard to nondisclosure by Associate of Confidential Information and with respect to noncompetition by Associate with the Company.

NOW THEREFORE, in consideration of the foregoing, the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Associate and the Company, intending legally to be bound, agree as follows:

1. Confidential Information. Associate and the Company acknowledge that the distinctive business format, plans, methods, data, processes, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, trademarks, proprietary marks and information and know-how of the Company which are developed and utilized in connection with the operation of the Business are the Company’s Confidential Information. Such Confidential Information is unique, exclusive property and a trade secret of the Company. Associate acknowledges that any unauthorized disclosure or use of the Confidential Information would be wrongful and would cause irreparable injury and harm to the Company. Associate further acknowledges that the Company has taken numerous precautions to guard the secrecy of the Confidential Information and that it would be very costly for competitors to acquire or duplicate the Confidential Information.

2. Customer Lists and Manuals as Trade Secrets. It is understood that Confidential Information, constituting “trade secrets”, as used in this Agreement, is deemed to include, without limitation, product components, lists of customers, supplier information and any and all information contained in the Company’s Manual (as defined in the Franchise Agreement), which may be provided as one or more separate print or electronic manuals, or written instructional guides, as the same are changed or supplemented from time to time, and any information of whatever nature which gives the Company and its affiliates an opportunity to obtain an advantage over its competitors who do not have access to, know or use such lists, written materials, or information.

3. Nondisclosure of Confidential Information. Associate shall not at any time, publish, disclose, divulge or in any manner communicate to any person, firm, corporation, association, partnership or any other entity or use, directly or indirectly, for its own benefit or for the benefit of any person, firm, corporation or other entity other than for the use of the Company or the Business, any of the Confidential Information of the Company or its affiliates.

4. Noncompetition Covenant. Associate acknowledges that, in addition to the license of the Marks hereunder, Franchisor has also licensed commercially valuable information which comprises and is a part of the System, including without limitation, proprietary processes, operations, marketing and related information and materials and that the value of this information derives not only from the time, effort and money which went into its compilation, but from the usage of the same by all franchisees of Franchisor using the Marks and System. Associate therefore agrees that other than the Business licensed herein, neither Associate, any manager of the Business nor any of Franchisee’s officers, directors, shareholders, partners, members or managers, nor any member of his, her or their immediate families, will during the term of this Agreement:

- a) have any direct or indirect controlling interest as a disclosed or beneficial owner in a Competitive Business (as defined below);
- b) perform services as a director, partner, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business; or
- c) divert or attempt to divert any business related to, or any customer or account of the YGM, the Franchisee’s Business, the Company’s business, the business of any affiliate of the Company or any other Associate, by direct inducement or otherwise.

The term “Competitive Business” as used in this Agreement will mean any business offering, or granting franchises or licenses to others to provide residential and commercial housekeeping and cleaning services designed by YGM; provided, however, Associate, Franchisee, its owners, members, partners, principals, and if an individual, members of its immediate family will not be prohibited from owning securities in a Competitive Business if such securities are listed on a stock exchange or traded on the over-the-counter market and represent in the aggregate five percent (5%) or less of that class of securities issued and outstanding.

5. Post-Termination Covenant Not to Compete. Upon termination or expiration of this Agreement for any reason, Associate, Franchisee, and its officers, directors, shareholders, and partners agree that, for a period of two (2) years commencing on the effective date of termination or expiration, or the date on which Associate ceases to conduct business, whichever is later, neither Associate, any manager of the Business, nor any of Franchisee’s officers, directors, shareholders, managers, members, or partners will have any direct or indirect interest (through any immediate family member of Associate, Franchisee, or its owners or otherwise) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, representative or agent or in any other capacity in any Competitive Business, as defined above, (i) located or operating inside or within seventy-five (75) miles from the boundary of Franchisee’s Protected Territory defined in Exhibit A, or inside or within seventy-five (75) miles from the boundary of any franchised, Franchisor-owned or affiliated company-owned territory; (ii) on the Internet; and (iii) on any other Multi-Area Marketing channels used by Franchisor. The restrictions of this Section

will not be applicable to the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent five percent (5%) or less of the number of shares of that class of securities issued and outstanding. Associate, Franchisee, and its officers, directors, shareholders, managers, members and partners expressly acknowledge that they possess skills and abilities of a general nature and have other opportunities for exploiting such skills. Consequently, enforcement of the covenants made in this Section will not deprive them of their personal goodwill or ability to earn a living.

6. Injunction. Associate hereby acknowledges and agrees that in the event of any breach or threatened breach of this Agreement, the Company shall be authorized and entitled to seek, from any court of competent jurisdiction, preliminary and permanent injunctive relief in addition to any other rights or remedies to which the Company may be entitled. Associate agrees that the Company may obtain such injunctive relief, without posting a bond or bonds totaling \$500 or more, but upon due notice, and Associate's sole remedy in the event of the entry of such injunctive relief shall be dissolution of such injunctive relief, if warranted, upon hearing duly had; provided, however, that all claims for damages by reason of the wrongful issuance of any such injunction are hereby expressly waived by Associate.

7. Effect of Waiver. The waiver by Associate or the Company of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach thereof.

8. Binding Effect. This Agreement shall be binding upon and inure to the benefit of Associate and the Company and their respective heirs, executors, representatives, successors and assigns.

9. Entire Agreement. This instrument contains the entire agreement of Associate and the Company relating to the matters set forth herein. It may not be changed verbally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

10. Governing Law. This instrument shall be governed by and construed under the laws of the state of South Carolina.

11. Jurisdiction and Venue. In the event of a breach or threatened breach by Associate of this Agreement, Associate hereby irrevocably submits to the jurisdiction of the state and federal courts of South Carolina, and irrevocably agrees that venue for any action or proceeding shall be in the state and federal courts of South Carolina. Both parties waive any objection to the jurisdiction of these courts or to venue in the state and federal courts of South Carolina. Notwithstanding the foregoing, in the event that the laws of the state where the Associate resides prohibit the aforesaid designation of jurisdiction and venue, then such other state's laws shall control.

12. Severability. If any provision of this Agreement shall be held, declared or pronounced void, voidable, invalid, unenforceable or inoperative for any reason, by any court of competent jurisdiction, government authority or otherwise, such holding, declaration or pronouncement shall not affect adversely any other provisions of this Agreement which shall otherwise remain in full force and effect.

13. Attorneys' Fees. In any action at law or in equity to enforce any of the provisions or rights under this Agreement, the unsuccessful party in such litigation, as determined by the court in a final judgment or decree, shall pay the successful party or parties all costs, expenses and reasonable attorneys' fees incurred therein by such party or parties (including without limitation such costs, expenses and fees on any appeals), and if such successful party shall recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees shall be included as part of such judgment.

IN WITNESS WHEREOF, the parties have signed this Agreement on the date first above written.

US:
YGM FRANCHISE, LLC

By: _____
Joseph Berger
Its: President

ASSOCIATE:

(Signature)

(Print Name)

CAPACITY WITH FRANCHISED BUSINESS

EXHIBIT H: Disclosure Addenda for Certain Registration States

ADDENDUM TO THE YGM FRANCHISE LLC FTC DISCLOSURE DOCUMENT

FOR THE STATE OF CALIFORNIA

Effective date of registration in California: _____

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

ITEM 2 of the Disclosure Document is amended to add the following:

- Neither the franchisor or any person or franchise broker in Item 2 of the DISCLOSURE DOCUMENT is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

ITEM 17 of the Disclosure Document is amended to add the following:

- The California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, and the law applies, the law will control. No franchise may be terminated except for good cause, and you must be given a notice of default and a reasonable opportunity to cure the defects, except for certain defects as specified in the statute in which no opportunity to cure is required by law.
- The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 *et seq.*).
- The Franchise Agreement requires Franchisee to sign a general release as a condition of renewal, sale, or transfer of your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).
- The Franchise Agreement contains a covenant not to compete which extends beyond the term of the agreement. This provision might not be enforceable under California Business and Professional Code Section 16600.
- The California Franchise Relations Act makes void any provision of any agreement that purports to bind any person to waive compliance with the provisions of that Act. Accordingly, any provision in the Franchise Agreement inconsistent with the Act may not be enforceable.
- The Franchise Agreement requires binding arbitration. The arbitration will occur at Mount Pleasant, South Carolina or another jurisdiction as determined by us, with the costs borne equally by you and us.

- Prospective Franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the state of California.
- Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT WWW.DBO.CA.GOV.

**ADDENDUM TO THE YGM FRANCHISE LLC
FTC DISCLOSURE DOCUMENT**

FOR THE STATE OF HAWAII

Effective date of registration in Hawaii: _____

- THIS FRANCHISE WILL BE/HAS BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.
- THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.
- THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT AND THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS, AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

For Item 17, see the Hawaii Addendum included in Exhibit B to the Franchise Agreement included in this Disclosure Document for changes to the Franchise Agreement affecting the termination and renewal provisions.

Item 20 will be amended by the addition of the following paragraph:

As of the dates listed on the State Cover Page, this Disclosure Document is or will be effective in California, Illinois, Indiana, Maryland, Minnesota, Rhode Island, Virginia and Washington. No States have refused, by order or otherwise, to register this franchise. No States have revoked or suspended the right to offer this franchise. The proposed registration of these franchises has not been involuntarily withdrawn in any state.

**ADDENDUM TO THE YGM FRANCHISE LLC
FTC DISCLOSURE DOCUMENT**

FOR THE STATE OF ILLINOIS

Effective Date of Registration in Illinois: _____

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a Franchise Agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

ADDENDUM TO THE YGM FRANCHISE LLC
FTC DISCLOSURE DOCUMENT
FOR THE STATE OF INDIANA

Effective Date of Registration in Indiana: _____

- ITEM 8 of the Disclosure Document is amended to add the following:
 - Under Indiana Code Section 23-2-2.7-1(4), we will not accept any rebates from any person with whom you do business or associate or in relation to transactions between you and the other person, other than for compensation for services rendered by us, unless the rebate is promptly accounted for and transmitted to you.
- ITEM 17 of the Disclosure Document is amended to add the following:
 - Indiana Code 23-2-2.7-1(5) prohibits a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Law.
 - Indiana Code 23-2-2.7-1(7) makes unlawful unilateral termination of a franchise unless there is a material violation of the Franchise Amendment and termination is not in bad faith.
 - The post-term non-competition covenant shall have a geographical limitation of the territory granted to Franchisee, subject to Indiana Code 23-2-2.7-1(9).
 - Arbitration between a Franchisee and Franchisor will be conducted in Indiana or a site mutually agreed by the parties.
 - Franchisees will be permitted to commence litigation in Indiana for any cause of action under Indiana Law.
 - In the event of a conflict of law, Indiana Law governs any cause of action which arises under the Indiana Disclosure Law or the Indiana Deceptive Franchise Practices Act.

ADDENDUM TO THE YGM FRANCHISE LLC
FTC DISCLOSURE DOCUMENT
FOR THE STATE OF MARYLAND

Effective Date of Registration in Maryland: _____

ITEM 17 of the Disclosure Document is amended to add the following:

- Under the Maryland Franchise Registration and Disclosure Law, Md. Code Ann. Bus. Reg. 14-201 *et seq.*, and pursuant to COMMAR 02.02.08.16L the general release required as a condition of renewal, sales, and/or transfer will not apply to any liability against the Franchisor created by virtue of the Maryland Franchise Registration and Disclosure Law. Such representations are not intended to act as a release, estoppel, or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.
- The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 *et seq.*).
- Any claim arising under the Maryland Franchise Registration and Disclosure Law concerning the Franchised Business or the Franchise Agreement or any related agreement must be brought within three (3) years from the date on which Franchisee or Franchisor knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to or the claim.
- Any litigation between Franchisee and Franchisor to which the Maryland Franchise Registration and Disclosure Law applies may be instituted in any court of competent jurisdiction, including a court in the State of Maryland.

**ADDENDUM TO THE YGM FRANCHISE LLC
FTC DISCLOSURE DOCUMENT**

FOR THE STATE OF MICHIGAN

Effective Date of Registration in Michigan: _____

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

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

- The fact that the proposed transferee is a competitor of the Franchisor or Subfranchisor.
- The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
- The failure of the Franchisee or proposed transferee to pay any sums owing to the Franchisor or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.
- A provision that requires the Franchisee to resell to the Franchisor items that are not uniquely identified with the Franchisor. This subdivision does not prohibit a provision that grants to a Franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the Franchisor the right to acquire the assets of a franchise for the market or appraised value and has failed
- A provision which permits the Franchisor to directly or indirectly convey, assign or otherwise transfer its obligations to fulfill contractual obligations to the Franchisee unless a provision has been made for providing the required contractual services.
- A provision which permits a Franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. The subdivision does not prevent a Franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - The failure of the proposed transferee to meet the Franchisor's then-current reasonable qualifications or standards.
 - The fact that the proposed transferee is a competitor of the Franchisor or Subfranchisor.
 - The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
 - The failure of the Franchisee or proposed transferee to pay any sums owing to the Franchisor or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

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

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

Any questions regarding this notice should be directed to:

State of Michigan - Consumer Protection Division
Department of Attorney General
Attention: Franchise Section 670 Law Building
Lansing, MI 48913
(517) 373-7117

**ADDENDUM TO THE YGM FRANCHISE LLC
FTC DISCLOSURE DOCUMENT**

FOR THE STATE OF MINNESOTA

Effective Date of Registration in Minnesota: _____

1. ITEM 13 of the Disclosure Document is amended as follows:

- As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), Franchisor will reimburse the Franchisee for any costs incurred by the Franchisee in the defense of the Franchisee's right to use the Marks, so long as the Franchisee was using the Marks in the manner authorized by Franchisor, and so long as Franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle, or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

2. ITEM 17 of the Disclosure Document is amended as follows:

- With respect to franchises governed by Minnesota law, the Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that a Franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice of non-renewal of the Agreement.
- Item 17 does not provide for a prospective general release of claims against Franchisor which may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release, assignment, novation or waiver, provided however that this prohibition will not apply to voluntary settlement of disputes.
- Under Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J, nothing in the Disclosure Document or Agreement shall abrogate or reduce any rights of the Franchisee as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- Minn. Stat. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. The Franchisee cannot consent to the Franchisor obtaining injunctive relief. The Franchisor may seek injunctive relief.
- A court will determine if a bond is necessary.

**ADDENDUM TO THE YGM FRANCHISE LLC
FTC DISCLOSURE DOCUMENT
FOR THE STATE OF NEW YORK**

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to business activity as a result of an action brought

by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of Franchise Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the “Summary” sections of Item 17(c), titled **“Requirements for franchisee to renew or extend”**, and Item 17(m), titled **“Conditions for franchisor approval of transfer”**:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of the General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the “Summary” section of Item 17(d), titled **“Termination by franchisee”**:

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the “Summary” section of Item 17(j), titled **“Assignment of contract by franchisor”**:

However, no assignment will be made except to an assignee who in the good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement.

8. The following is added to the end of the “Summary” sections of Item 17(v), titled **“Choice of forum”**, and Item 17(w), titled **“Choice of Law”**:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

ADDENDUM TO THE YGM FRANCHISE LLC
FTC DISCLOSURE DOCUMENT
FOR THE STATE OF NORTH DAKOTA

Effective Date of Registration in North Dakota: ____

1. ITEM 3 of the Disclosure Document is amended to add the following:

- No person listed in Item 2 is subject to any currently effective order of the Securities and Exchange Commission or the securities administrator of any state denying registration to or revoking or suspending the registration of such person as a securities broker or dealer or investment advisor, nor is any such person subject to any currently effective injunction or restrictive order as a result of any action by any public agency or department, including but not limited to, actions affecting a license as a real estate broker or salesman.

2. ITEM 5 of the Disclosure Document is amended by the addition of the following language to the original language:

- Refund and cancellation provisions will be inapplicable to franchises operating under the North Dakota Franchise Investment Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17. If we elect to cancel this Agreement, we will be entitled to a reasonable fee for its evaluation of you and related preparatory work performed and expenses actually incurred.

3. ITEM 17 of the Disclosure Document is amended to add the following:

- No general release shall be required as a condition of renewal and/or transfer which is intended to exclude claims arising under North Dakota Law.
- Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.
- A provision requiring litigation or arbitration to be conducted in a forum other than North Dakota is void with respect to claims under North Dakota Law.
- In the event of a conflict of laws, North Dakota Law will control.

ADDENDUM TO THE YGM FRANCHISE LLC
FTC DISCLOSURE DOCUMENT
FOR THE STATE OF RHODE ISLAND

Effective Date of Registration in Rhode Island: _____

ITEM 3 of the Disclosure Document is amended to add the following:

- No person listed in Item 2 is subject to any currently effective order of the Securities and Exchange Commission or the securities administrator of any state denying registration to or revoking or suspending the registration of such person as a securities broker or dealer or investment advisor, nor is any such person subject to any currently effective injunction or restrictive order as a result of any action by any public agency or department, including but not limited to, actions affecting a license as a real estate broker or salesman.

ITEM 17 of the Disclosure Document is amended to add the following:

- The Rhode Island Franchise Investment Act, R.I. Gen. Law Ch. 395 Sec. 19-28.1-1 through 34 provides that a provision in a Franchise Agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.
- Any release as a condition of renewal or transfer will be void with respect to claims under the Rhode Island Franchise Investment Act.

ADDENDUM TO THE YGM FRANCHISE LLC
FTC DISCLOSURE DOCUMENT
FOR THE STATE OF VIRGINIA

Effective Date of Registration in Virginia: _____

ITEM 17 of the Disclosure Document is amended to add the following:

- The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 *et seq.*).

ADDENDUM TO THE YGM FRANCHISE LLC
FTC DISCLOSURE DOCUMENT
FOR THE STATE OF WASHINGTON

Effective Date of Registration in Washington: _____

ITEM 17 of the Disclosure Document is amended to add the following:

- The provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall govern any franchise sold in Washington.
- A release or waiver of rights executed by a Franchisee will not include rights under the Washington Franchise Investment Protection Act.
- Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, 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.
- The provisions of the Franchise Agreement call for dispute resolution and litigation to be held in the State of Ohio. To the extent that the Washington Franchise Investment Protection Act prohibits the franchisor from designating a foreign forum for litigation and/or dispute resolution, in any arbitration involving a franchise purchased in Washington, the arbitration site shall be either Washington or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.
- Washington has statutes which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise [Code Section 19.100.180]). Washington may have court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

ADDENDUM TO THE YGM FRANCHISE LLC
FTC DISCLOSURE DOCUMENT
FOR THE STATE OF WISCONSIN

Effective Date of Registration in Wisconsin: _____

ITEM 17 of the Disclosure Document is amended to add the following:

- The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Section 135.01-135.07 may affect the termination provision of the Franchise Agreement.
- The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec 101 et seq.).
- Section 15 of the Franchise Agreement may be inconsistent with Wisconsin Fair Dealership Law, Chapter 135, Section 135.045. To the extent required by Wisconsin Law, the provisions of the Fair Dealership Law, Chapter 135, Section 135.045 will govern. (Refer to state specific addendum to Franchise Agreement)
- Section 14.F. of the Franchise Agreement may be inconsistent with Wisconsin Fair Dealership Law, Chapter 135, Section 135.04. To the extent required by Wisconsin Law, the provisions of the Fair Dealership Law, Chapter 135, Section 135.04 will govern. (Refer to state specific addendum to Franchise Agreement)

EXHIBIT I: Independent Organizations We Have Created, Sponsored or Endorsed

-none-

EXHIBIT J: Independent Franchisee Associations

-none-

EXHIBIT K: Confidentiality Agreement

With respect to determining the feasibility of whether or not to purchase a You've Got Maids® franchise, YGM Franchise, LLC is prepared to provide you with certain financial, business, marketing, and operational information concerning the business operations of YGM Franchise, LLC.

We are able to provide you this Information with your explicit understanding and agreement that you recognize and agree that this information is confidential and valuable, and that this information constitutes special and unique proprietary rights and assets of YGM Franchise, LLC.

The term "Confidential Information" shall mean and include any and all information disclosed by us to you relating to the You've Got Maids® business and potential trade name and Internet web names, whether copyrighted or patented. Provided; however, confidential information shall not include information which:

- a) Is disclosed to you following the date of this Agreement by a third party who is not under an obligation to keep the information confidential;
- b) Is or becomes publicly disclosed through no act or omission of yours; and/or
- c) Information previously known by you prior to contact with You've Got Maids®.

In accepting this Information, you agree that you will not disclose it to any third party or make use of it yourself, in any regard, with the exception that it may be disclosed to an attorney, accountant or business consultant that you utilize as part of your due diligence process, provided you assure they are informed of and comply with all the terms of this Non-Disclosure Agreement.

You further agree to maintain the confidentiality of any and all confidential information which has been provided to you in a manner using at least the same degree of care as the manner used to maintain the confidentiality of your most confidential information.

In the event that you do not purchase a You've Got Maids® business, or upon our request at any time, you agree to return all materials furnished to you or to certify in writing that such information has been destroyed.

You further recognize that breach of this Confidentiality and Non-Disclosure Agreement by you will cause severe and irreparable damage to YGM Franchise, LLC, and that YGM Franchise, LLC, may pursue all of its rights and remedies after any breach, including specific performance.

Please indicate that you agree to the conditions, as stated above, under which confidential information will be furnished to you by signing a copy of this letter in the space provided below.

ACKNOWLEDGED:

By: _____
Signature

Date: _____

By: _____
Signature

Date: _____

EXHIBIT L: Receipt**RECEIPT**

This disclosure document summarizes provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. If YGM Franchise, LLC offers you a franchise, the company must provide this disclosure document 14 calendar days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

In the State of New York, New York law requires a Franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting or 10 days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If YGM Franchise, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and State law may have occurred and should be reported to the Federal Trade Commissioner, Washington, D.C. 20580 and the state agency listed on Exhibit A.

Date of Issuance: April 1, 2020

See Exhibit A for our registered agents authorized to receive service of process. The franchise seller for this offering is Frank Berger, CEO, YGM Franchise, LLC, 3015 Dunes West Boulevard; Suite 101, Mount Pleasant, SC 29466; and Ph. (843) 388-7887 and Fax (888) 377-8451.

I have received a disclosure document dated April 1, 2020 that included the following Exhibits:

A.	List of State Administrators and Agents Authorized to Receive Service of Process	G.	Non-Disclosure and Non-Competition Agreement
B.	Financial Statements	H.	Disclosure Addenda for Certain Registration States
C.	Franchise Agreement	I.	Independent Organizations We Have Created, Sponsored or Endorsed
D.	List of Franchisees	J.	Independent Franchisee Associations
E.	Former Franchisees	K.	Confidentiality Agreement
F.	Manual Table of Contents	L.	Receipt

Dated: _____

PROSPECTIVE FRANCHISEE

(Print Name)

By: _____

Dated: _____

PROSPECTIVE FRANCHISEE

(Print Name)

By: _____

KEEP THIS COPY FOR YOUR RECORDS

EXHIBIT L: Receipt**RECEIPT**

This disclosure document summarizes provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully. If YGM Franchise, LLC offers you a franchise, the company must provide this disclosure document 14 calendar days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

In the State of New York, New York law requires a Franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting or 10 days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If YGM Franchise, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and State law may have occurred and should be reported to the Federal Trade Commissioner, Washington, D.C. 20580 and the state agency listed on Exhibit A.

Date of Issuance: April 1, 2020

See Exhibit A for our registered agents authorized to receive service of process. The franchise seller for this offering is Frank Berger, CEO, YGM Franchise, LLC, 3015 Dunes West Boulevard; Suite 101, Mount Pleasant, SC 29466; and Ph. (843) 388-7887 and Fax (888) 377-8451.

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E.	Former Franchisees	K.	Confidentiality Agreement
F.	Manual Table of Contents	L.	Receipt

Dated: _____

PROSPECTIVE FRANCHISEE

(Print Name)

By: _____

Dated: _____

PROSPECTIVE FRANCHISEE

(Print Name)

By: _____

PLEASE SIGN THIS COPY OF THE RECEIPT AND RETURN IT TO YGM FRANCHISE, LLC