

FRANCHISE DISCLOSURE DOCUMENT
for Unit Franchises



A&T Franchise Development
A Connecticut Limited Liability Company
d/b/a Jan Pro of Southern Connecticut
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As a JAN-PRO Cleaning & Disinfecting™ unit franchisee, you will own and operate an independent cleaning and maintenance business that performs commercial, industrial, and institutional cleaning and maintenance services under the service mark JAN-PRO Cleaning & Disinfecting™ and other trademarks, trade names, service marks, slogans and logos we authorize.

The total investment necessary to begin operation of a Jan-Pro Cleaning & Disinfecting unit franchised business is between \$4,170 and \$56,020. This includes between \$2,520 and \$44,000 that must be paid to us or our affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact 845 Foxon Road, East Haven, CT 06513 (203) 299-0214, Travis.Williams@jan-pro.com.

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

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

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

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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?	Item 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit C includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only JAN-PRO 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 JAN-PRO franchisee?	Item 20 or Exhibits D and E lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising Generally

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About This Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Connecticut. 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, and/or litigate with the franchisor in Connecticut than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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

Table of Contents

Item 1 - The Franchisor, And Any Parents, Predecessors, And Affiliates	1
Item 2 - Business Experience.....	4
Item 3 - Litigation	7
Item 4 - Bankruptcy	12
Item 5 - Initial Fees	13
Item 6 - Other Fees	17
Item 7 - Estimated Initial Investment.....	25
Item 8 - Restrictions On Sources Of Products And Services.....	28
Item 9 - Franchisee's Obligations.....	32
Item 10 - Financing.....	33
Item 11 - Franchisor's Assistance, Advertising, Computer Systems, And Certification	35
Item 12 - Territory	39
Item 13 - Trademarks	39
Item 14 - Patents, Copyrights, And Proprietary Information.....	42
Item 15 - Obligation To Participate In The Actual Operation Of The Franchise Business.....	43
Item 16 - Restrictions On What The Franchisee May Sell	43
Item 17 - Renewal, Termination, Transfer, And Dispute Resolution.....	43
Item 18 - Public Figures.....	48
Item 19 - Financial Performance Representations	48
Item 20 - Outlets And Franchisee Information	50
Item 21 - Financial Statements	64
Item 22 - Contracts.....	64
Item 23 - Receipts	65

Exhibits:

- Exhibit A – Franchise Agreement
- Exhibit B – Table of Contents to Operations Manual
- Exhibit C – Financial Statements
- Exhibit D – List of Our Current Unit Outlets
- Exhibit E - List of Our Former Unit Outlets
- Exhibit F – Franchisee Disclosure Questionnaire
- Receipt

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

To simplify the language in this disclosure document, A&T Franchise Development LLC means the franchisor and is referred to in this disclosure document as “we”, “us”, and “our.” “You” and “your” means the entity (generally a corporation or limited liability company) that buys the franchise, the franchisee. You may not acquire the franchise as a sole proprietor. All of your owners must agree to be personally bound under the Franchise Agreement.

Our Information

We are a Connecticut Limited Liability Company that was organized on July 1, 2021. We do business under the name Jan Pro of Southern Connecticut. Our principal business address is 845 Foxon Road, East Haven, CT 06513. Our agent for service of process is Travis Williams and this agent’s principal business address is 477 Connecticut Blvd., Ste 209, East Hartford, CT 06108.

We are in the business of offering, selling, and supporting Jan-Pro Cleaning & Disinfecting unit franchises (“Franchises”) and we also provide outsourced sales and marketing services, billing and collection services, and customer management services on behalf of unit franchisees for a fee. We do not provide janitorial or cleaning services. We have been offering Franchises since May 2020. Although we are a Jan-Pro regional master franchisee, we have never operated a Franchise. We also have never offered franchises in any other line of business.

Our Parents

We have no parents.

Our Affiliates

Aggie Cleaning Corporation is our affiliate company that sells franchises or that provides products or services to our franchisees in the Hartford Connecticut territory.

Our Predecessor

The name of our predecessor is Southern Connecticut Cleaning LLC. Our predecessor maintained its principal business address at 6 Thorndal Circle, Darien, CT 06820. Our predecessor offered franchises for these businesses from October 2015 through June 2021.

The Franchises Offered

Jan-Pro Franchising International, Inc. (the "Master Franchisor") has developed a system (the "System") to independently own and operate a comprehensive cleaning and maintenance business that performs commercial janitorial and related services under the service mark JAN-PRO Cleaning & Disinfecting™ and other trademarks, trade names, service marks, slogans and logos that it authorizes (collectively, the "Proprietary Marks"). The Master Franchisor has granted us the right to offer and sell Franchises to persons who want to independently own and operate Jan-Pro Cleaning & Disinfecting businesses to service janitorial customers in our designated territory. Our designated territory includes the counties of Fairfield, New Haven (except for Meriden and Waterbury east of Route 8), and Middlesex (south of Middletown and west of the Connecticut River) in the state of Connecticut (the "Territory"). Selling and servicing these Franchises and providing outsourced sales and marketing services, billing and collection services and customer management services on behalf of unit franchisees, are our only businesses. We do not provide janitorial or cleaning services.

Each Franchise is an independently owned and operated business. When you purchase a Franchise from us, you will sign a unit franchise agreement ("Franchise Agreement"). The Franchise Agreement includes the rights and responsibilities you have when operating your Franchise under the Jan-Pro Cleaning & Disinfecting brand. You operate your Franchise as an independent business owner, not as our or anyone else's employee. As the owner of your own independent business, you make all decisions on the goals of your business and on how you achieve those goals. You alone choose the details of the day-to-day operations of your Franchise — subject to our System standards, which are necessary to protect and promote the Jan-Pro Cleaning & Disinfecting™ brand.

For example, you choose your work hours and what work is done and how it is done (subject to customers' preferences); you may hire your own employees and you may delegate work to your employees; you furnish your own supplies, equipment, and workplace; and you pay for your own expenses. We do not pay you a wage or salary, and you may suffer losses if you are not successful in your Franchise.

As an independent business owner, you must prepare, file, and pay all federal and state taxes, payments, and tax returns required on all income you earn from your Franchise, including all income, unemployment, and payroll taxes, such as FICA (social security and Medicare), FUTA (federal unemployment), and SECA (self-employment contributions) payments.

General Market and Competition

Your market includes commercial customers requiring janitorial or maintenance services. Typical customers are offices, retail stores, automobile dealerships, childcare businesses, churches, fitness centers, medical facilities, etc. The market for commercial janitorial services is well developed. You will compete with individuals and other businesses that offer janitorial and building maintenance services.

Industry Regulations

Some of the laws specific to the commercial cleaning industry are health and sanitation laws and the Occupational Safety and Health Act (“OSHA”). OSHA regulations require you to comply with Safety Data Sheets (“SDS”) concerning cleaning chemicals and waste disposal. There may be other laws applicable to your Franchise. You should research these laws.

Laws and regulations vary widely from place to place. You should consult an advisor in your area to determine all applicable laws and regulations. You must also obtain all necessary permits, licenses and approvals to operate your Franchise.

The Master Franchisor’s Corporate Information and Business Experience

The Master Franchisor is a Massachusetts corporation formed in April 1995. The Master Franchisor does business as Jan-Pro Systems International™. The Master Franchisor’s principal business address is 2520 Northwinds Parkway, Suite 375, Alpharetta, Georgia 30009. The Master Franchisor has never operated a Jan-Pro unit franchise and it does not offer or sell unit franchises such as those that we offer. It has offered and sold Jan-Pro regional franchise development franchises such as ours since 1995. As of September 30, 2020, the Master Franchisor had 93 operating regional development franchises. The Master Franchisor has never operated a regional master franchise, however, in the past, it has owned subsidiaries that have operated businesses similar to the regional master franchise. The Master Franchisor has never it offered franchises in any other line of business.

Master Franchisor’s Parents, Affiliates and Predecessors

The Master Franchisor is owned by Lynx Franchising, LLC, which is owned by Lynx-JP Holdings, Inc. The principal business address of both of these companies is 2520 Northwinds Parkway, Suite 375, Alpharetta, Georgia 30009. Lynx Franchising, LLC and Lynx-JP Holdings, Inc. have never operated a regional master or unit franchise, nor have they offered franchises in this or any other line of business.

Although the Master Franchisor is owned by Lynx Franchising, LLC, it has no parent that shapes its policies or controls franchise sales or operations. It makes its own decisions on policies and franchise sales and operations. The Master Franchisor has no predecessors.

The Master Franchisor’s Affiliates

Jan-Pro Enterprises, LLC (“JPE”). JPE’s principal business address is 2520 Northwinds Parkway, Suite 375, Alpharetta, Georgia 30009. JPE has sold JAN-PRO franchises outside of the United States since February 2005 and operates a National Accounts program for the benefit of our franchisees. As of September 30, 2020, JPE had nine operating country or international regional master franchises. JPE has never operated a business similar to the Franchise and has not sold franchises in any other line of business.

The Intelligent Office, LLC (IOS”). IOS’s principal business address is 2520 Northwinds Parkway, Suite 375, Alpharetta, Georgia 30009. IOS has sold INTELLIGENT OFFICE franchises since April 1999. IOS has never operated a business similar to the Franchise and has not sold any franchises other than INTELLIGENT OFFICE franchises. On December 21, 2018, Premium Franchise Brands, LLC acquired IOS.

The Intelligent Office, Inc. (“TIO”). TIO’s principal business address is 4450 Arapahoe Avenue, Boulder, Colorado 80303. TIO operates company owned INTELLIGENT OFFICE centers. As of September 30, 2020, TIO operates three INTELLIGENT OFFICE centers in Colorado. TIO does not offer and sell, and has not offered or sold, franchises in any line of business. On December 21, 2018, Premium Franchise Brands, LLC acquired TIO.

Intelligent Office of Canada, Inc. (“IOC”). IOC’s principal business address is Suite 500, 221 W. Esplanade, North Vancouver, B.C. V7M 3J3. IOC has offered and sold franchises for INTELLIGENT OFFICE Centers in Canada since September 2017. As of September 30, 2020, there are 12 franchised INTELLIGENT OFFICE centers in Canada. IOC does not offer and sell, and has not offered or sold, franchises in any other line of business. On December 21, 2018, Premium Franchise Brands, LLC acquired IOC.

FRSTeam, LLC (“FRSTeam”) is a California limited liability company converted from a corporation on August 20, 2020. The previous California corporation, FRSTeam, Inc. (“FRSTeam Corp”) was originally formed on September 30, 2005. FRSTeam’s principal business address is 2520 Northwinds Parkway, Suite 375, Alpharetta, Georgia 30009. FRSTeam has offered and sold FRSTeam franchises since March 2006. As of December 31, 2020, there are 37 franchised FRSTeam outlets. FRSTeam does not offer and sell, and has not offered or sold, franchises in any other line of business. On June 9, 2020, Lynx Franchising, LLC acquired FRSTeam.

Custom Commercial Dry Cleaners, LLC (“CCDC”) is a California limited liability company converted from a corporation on August 20, 2020. The previous California corporation, Custom Commercial Dry Cleaners, Inc. was a California corporation originally incorporated on May 26, 1993. CCDC’s principal business address is 3201 A Investment Boulevard, Hayward, CA 94545. CCDC owns several trademarks for the FRSTeam franchise system and licenses them to us. As of December 31, 2020, CCDC operates nine company owned outlets CCDC does not offer and sell, and has not offered or sold, franchises in any line of business. On June 9, 2020, Lynx Franchising, LLC acquired CCDC.

ITEM 2 BUSINESS EXPERIENCE

Our Business Experience

Travis Williams, President of A&T Franchise Development LLC is responsible for sales, marketing and administration of the company since January 2020. Prior to joining Jan-Pro he directed the financial planning, analysis and budgeting for various Fortune 500 companies and a Tribal Government. From 2007 to 2020 Travis was the Director of FP&A with the Mashantucket Pequot Tribal Nation.

Allan Johnson, Vice President of Operations is responsible for the operations of the company since the company's inception. Allan has held many operations roles over his career, with Ventura Foods and Colteck being the most recent. Allan holds a Six Sigma Black Belt certification.

The Master Franchisor's Business Experience

President and Chief Executive Officer: Russell Reynolds

Russ has been the Master Franchisor's President and Chief Executive Officer since October 2018. From July 2001 to October 2018, Russ was the Chief Executive Officer of Batteries Plus, LLC. and was a member of its Operating Committee from February 2000 to October 2018. Russ is based in Alpharetta, Georgia.

Chief Operating Officer: Thomas O'Hare

Tom has been the Master Franchisor's Chief Operating Officer since October 2019. From April 2019 to October 2019, Tom enjoyed retirement from Batteries Plus, LLC. From October 2005 to April 2019, Tom was the Chief Operating Officer of Batteries Plus, LLC. He is based in Alpharetta, Georgia.

Vice President and Chief Financial Officer: Michael Borreca

Michael has been the Master Franchisor's Chief Financial Officer since March 2017. From January 2015 to February 2017, Michael was the Vice President, Corporate Finance and Treasurer for FOCUS Brands, Inc. in Atlanta, Georgia. From December 2007 to January 2015, Michael held various positions with KPMG, LLP in Tampa and Miami, Florida. He is based in Alpharetta, Georgia.

General Counsel: John Haraldson

From November 4, 2019 to present, John has been the Master Franchisor's General Counsel and has also been General Counsel for the Master Franchisor's affiliates, The Intelligent Office, LLC and The Intelligent Office, Inc. From June 9, 2020 to present John has also been General Counsel for FRSTeam and CCDC. John is based in Alpharetta, Georgia. From June 9, 2020 to present John has also been General Counsel for FRSTeam and CCDCI. From June 2013 to January 2019, he was the Vice President and Division General Counsel for the ServiceMaster Franchise Services Group, including the ServiceMaster Restore, ServiceMaster Clean, Merry Maids, Furniture Medic, and AmeriSpec franchised brands, in Memphis, Tennessee.

Brand President, Gary Bauer

From April 13, 2020 to present, Gary has been the Brand President for Jan-Pro Franchising International, Inc. and Jan-Pro Enterprises, LLC. From October 2016 through March 2020 Mr. Bauer served as Operations Manager for Orkin Pest Control. Mr. Bauer served as CEO of BDRY

Systems from September 2015 to May 2016. From September 2004 to August 2015, Mr. Bauer served in various senior executive roles for the AmeriSpec, Furniture Medic, ServiceMaster Clean, and ServiceMaster Restore franchise brands including serving as Chief Operations Officer for the ServiceMaster Franchise Group from March 2012 to August 2015.

Director of Field Services: David Meyer

Dave has been the Master Franchisor's Director of Field Services since October 2019. Dave was the Master Franchisor's Director of Field Services and International from October 2018 to October 2019. Dave was the Master Franchisor's Director of International/Domestic Field Services from October 2014 to October 2018. From May 2014 to September 2014, Dave was an interim General Manager for P & D Ventures, Inc., doing business as Jan-Pro of the Greater Bay Area, in Pleasanton, California. Dave is based in Beaverton, Oregon.

Director of Field Services: Robert Stapleton

Robert has been the Master Franchisor's Director of Field Services since October 2018. Robert was the Master Franchisor's Director of Operations for Field Services from November 2016 to October 2018. From September 2016 to October 2016, Robert worked in new car sales for Bommarito Nissan in St. Louis, Missouri. From August 2013 to September 2016, Robert worked in new car and pre-owned car sales and was the new car internet manager and Assistant Manager at Suntrup Ford in St. Louis, Missouri. Robert is based in St. Louis, Missouri.

Director of Field Services: Coleman Hudson

Coleman has been the Master Franchisor's Director of Field Services since October 2018. Coleman was the Master Franchisor's Director of Field Support from April 2017 to October 2018. From May 2014 to April 2015, Coleman was a Regional Director of Development and then an Executive Director of Corporate Regions for Jani-King International, Inc. in Addison, Texas. From 2010 to April 2014, Coleman was an Undercar District Manager for NAPA Auto Parts in Albuquerque, New Mexico. Coleman is based in Bonham, Texas.

Vice President, Information Technology: Andrew Forrest

Andrew has been the Master Franchisor's Vice President, Information Technology since January 2018. Andrew was the Master Franchisor's Director of Information Technology from January 2017 to January 2018. From April 2016 to December 2016, Andrew was unemployed as he waited for his U.S. work permit to issue. During this time, he obtained a CAPM (Certified Associate Project Manager) certification, and a CSM (Certified Scrum Master) certification. From September 2009 to March 2016, Andrew worked for Abbey Protection Group in London, England, first as a Development Manager and then as Head of IT. Andrew is based in Alpharetta, Georgia.

ITEM 3 LITIGATION

Our Litigation Disclosures

No litigation must be disclosed by us in this Item.

The Master Franchisor's Litigation Disclosures

Pending Actions of the Master Franchisor

Employee Misclassification in California State Court

Esmeralda Nunez v. Jan-Pro Franchising International, Inc. and Right First, Inc. (Case No. 20-CIV02595, Superior Court of the State of California, County of San Mateo). On June 22, 2020, Plaintiff filed a representative action for civil penalties pursuant to the Private Attorney General Act. Plaintiff, through a business entity that she owns, is a Jan-Pro Cleaning & Disinfecting franchisee of Right First, Inc., who is a regional Jan-Pro Franchise Development franchisee of Jan-Pro Franchising International, Inc. Plaintiff alleges that defendants treat her and other franchisees as employees within the meaning of California law and thereby has misclassified plaintiff and others as independent contractors. Plaintiff alleges that defendants violated several provisions of California's Labor Code and Industrial Welfare Commission wage orders, including, in addition to claims of misclassification, failure to reimburse expenses, failure to pay wages, unlawful withholding of wages, failure to provide meal and rest breaks, failure to provide wage statements, failure to pay overtime, unlawful restrictions on competition and indemnification, failure to pay wages twice in a calendar month, unlawfully requiring patronage of employer, and requiring a cash bond as an investment. On September 23, 2020, plaintiffs filed an amended complaint adding a new plaintiff, Jose Luis Corral Rodriguez. On October 28, 2020 each Defendant filed an answer and Cross Claim seeking a declaration that Nunez was the most immediate employer of Rodriguez under the first franchise agreement and that E&J Commercial Cleaning was the most immediate employer of Nunez and Rodriguez under the second franchise agreement. No trial date has been set. Discovery is ongoing.

Employee Misclassification in Federal Court

Roman, Vazquez and Aguilar, and all others similarly situated v. Jan-Pro Franchising International, Inc. (Case No. 3:16-cv-05961, United States District Court, Northern District of California). On November 3, 2016, the Court accepted a transfer of this case from the Massachusetts District Court, where the franchisees in Massachusetts had already lost their case (as they also had in Georgia state court). The plaintiffs were unit franchises of certain of our Regional Franchise Developers. We had no contracts or relationship with them and never dealt with them in their franchise purchases or their business operations. On January 26, 2017, the plaintiffs filed a Second Amended Complaint. The plaintiffs alleged that we were liable for the actions of a few of our Regional Franchise Developers who were alleged to have engaged in unfair and deceptive business practices. They also alleged that they were our direct employees, were misclassified as independent contractor franchisees rather than as employees, and that they were

denied wages and/or other employee benefits. Their claims also were based on theories of quantum meruit and unjust enrichment. The plaintiffs sought certification as a class action, damages attributable to our alleged statutory and common law violations, statutory enhancement of damages, declaratory and injunctive relief against us, and any other relief to which they might have been entitled.

We filed a Motion for Summary Judgment on February 16, 2017, and both parties briefed this Motion. Oral argument on this Motion was held on May 4, 2017 and on May 24, 2017, the Court issued its Decision, granting our Motion for Summary Judgment and holding that the plaintiffs were not our employees. On July 20, 2017, the Court ordered the plaintiffs to pay us a portion of our costs.

On May 25, 2017, the plaintiffs appealed this loss to the U.S. Court of Appeals for the Ninth Circuit. Both sides completed briefing of the issues in January 2018 and the Court scheduled oral arguments for December 18, 2018. On May 2, 2019, the 9th Circuit issued its opinion, reversing and remanding the case back to the U.S. District Court, holding that the new ABC test* could be applied to the plaintiffs' ten-year old claims. The District Court will have to analyze the applicability of California's new ABC test for employee status against the facts in our case. On May 31, 2019, we filed a Petition in the 9th Circuit, requesting the entire Court to review the 9th Circuit's decision. On July 22, 2019, however, the Ninth Circuit granted a panel rehearing; withdrew the court's previously-published opinion; and declared its intention to file "[a] revised disposition and an order certifying to the California Supreme Court the question of whether [Dynamex] applies retroactively." Thereafter, the court reissued its opinion and certified the question of retroactively applying the ABC test to the California Supreme Court. On October 8, 2019, we filed a Petition for rehearing by the panel or en banc of the 9th Circuit's reissued opinion. On November 7, 2019, the 9th Circuit denied our petition for a panel rehearing or rehearing en banc. The Supreme Court accepted the certification to answer the retroactivity question on November 20, 2019. The Plaintiffs' opening brief was submitted to the California Supreme Court on January 22, 2020. On March 17, 2020, JPI submitted two 28j letters to the Ninth Circuit Court of Appeals asking them to decertify the question of retroactivity to the Supreme Court, or order supplemental briefing. JPI submitted its reply brief on May 27, 2020 to the California Supreme Court arguing against retroactivity and asking for the Supreme Court to decertify the retroactivity question. The California Supreme Court held a hearing on November 3, 2020, and issued a decision on January 14, 2021, holding that the ABC test announced in Dynamex could apply retroactively, but declined to state whether the ABC test applied in a franchise context, a threshold issue that will be the subject of additional proceedings in this matter. On February 2, 2021, the Ninth Circuit reissued its prior opinion and remanded the case to the California Northern District Court.

* *The New ABC test is defined by the State of California as “(A) The person is free from the control and direction of the hiring entity in connection with the performance of the work, both under the contract for the performance of the work and in fact; (B) The person performs work that is outside the usual course of the hiring entity’s business; and (C) The person is customarily engaged in an independently established trade, occupation, or business of the same nature as that involved in the work performed.*

Concluded Actions – Master Franchisor and its Affiliates

Employee Misclassification Case in Massachusetts State Court

Claudio Brandao and Rommel Lima, et al. v. Jan-Pro Franchising International, Inc. (Case number 13-4439B, Superior Court of Suffolk County, Massachusetts). The attorney in the above federal case attempted to add two additional plaintiffs to the federal case in 2012. After receiving a preliminary indication in December 2013 from the judge that he would not allow additional plaintiffs to be added, the attorney then sued in the Massachusetts state court on December 18, 2013. The plaintiffs were Massachusetts Unit Franchisees of certain of JPI's regional franchise developers. The plaintiffs allege that they were JPI's direct employees and were denied wages and/or other employee benefits. Their claims were based on theories of misclassification as independent contractors and wage act violations. The plaintiffs sought certification as a class action, damages attributable to alleged statutory law violations, statutory enhancement of damages, injunctive relief, and any other relief to which they might be entitled.

JPI was served with this action on January 14, 2014. On August 4, 2015, JPI filed a Motion to Compel Arbitration based on a recent ruling by the Massachusetts Supreme Judicial Court in an unrelated case. On February 25, 2016, a new plaintiff, Barros, was added to the case. On May 7, 2016, the judge granted JPI's Motion and dismissed this action and stated that Brandao should have filed an arbitration action and Lima should have filed suit in New Hampshire. Brandao and Barros then filed separate arbitration actions, which are described in the next subsection. Lima has not refiled in New Hampshire.

Further Proceedings for Barros

Barros then filed a Motion to Correct the Judgment as the Judgment did not specifically address his claims. On August 24, 2018, the Superior Court ruled that Barros should be compelled to arbitration. On September 6, 2019, the parties entered into a settlement agreement whereby Barros released all claims in exchange for a payment of \$13,000.

Further Proceedings for Brandao

On November 30, 2017, Brandao moved in the Superior Court to reopen his case in court rather than arbitration, claiming that he could not afford to pay the AAA deposit. JPI opposed this motion.

On August 21, 2019, the parties entered into a settlement agreement whereby Brandao released all claims in exchange for a payment of \$22,000.

Employee Misclassification Arbitration Proceeding

Claudio Brandao v. Jan-Pro Franchising International, Inc., Before the American Arbitration Association (Case No. 01-16-0003-954). On July 28, 2016, Brandao, a plaintiff in the above action, filed an individual Demand for Arbitration before the American Arbitration Association. The plaintiffs allege that they were the JPI's direct employees and were denied wages and/or other

employee benefits. Their claims were based on theories of misclassification as independent contractors and wage act violations. An arbitrator was selected.

On November 30, 2017, Brandao moved in the Superior Court to reopen his case in court (described above) rather than arbitration, claiming that he cannot afford to pay the AAA deposit. JPI has opposed this motion. On August 21, 2019, the parties entered into a settlement agreement whereby Brandao released all claims in exchange for a payment of \$22,000.

Tony Barros v. Jan-Pro Franchising International, Inc., Before the American Arbitration Association (Case No. 01-16-0003-0958). On July 28, 2016, Barros, a plaintiff in the above Massachusetts state court action, filed an individual Demand for Arbitration before the American Arbitration Association. The plaintiffs allege that they were the JPI's direct employees and were denied wages and/or other employee benefits. Their claims were based on theories of misclassification as independent contractors and wage act violations. In November 2018, JPI informed AAA that Barros had signed a release of claims and AAA should not go forward without resolving whether Barros even has a right to go forward due to the release he signed. On September 6, 2019, the parties entered into a settlement agreement whereby Barros released all claims in exchange for a payment of \$13,000.

Jan-Pro Franchising International, Inc. v. Jan-Pro of New Mexico, Inc., Robert Guido, and Sophia Guido (Case No. 1:20-cv-00597). On June 22, 2020, Jan-Pro International, Inc. filed a complaint against defendants seeking enforcement of post-termination obligations not to compete, asserting trademark infringement, false designation and misrepresentation of origin, trademark dilution, and misappropriation of goodwill, all related to defendant's operation of a competing business after termination of the franchise agreement between JPI and defendants. Defendants filed a counterclaim alleging failure to make payments related to national account work coordinated by defendants and performed by certified business owner of Defendants. JPI states that the withheld funds are subject to rights of offset related to debts owed to JPI by Defendants. In November 2020, the parties agreed to a Settlement that provided for entry of a Consent Injunction enforcing certain post termination non-compete and non-solicitation obligations and the dismissal of the lawsuit without prejudice. The dismissal was filed on December 1, 2020 and the Consent Injunction was signed on December 2, 2020.

Sir Galloway Dry Cleaners, Inc. v. FRSTeam, Inc. (Case No. 74 114 Y 00075 12, American Arbitration Association). On or about February 8, 2012, the Claimant, a former franchisee, filed a Demand for Arbitration against FRSTeam. While the Demand contained general allegations of fraud, the only actual claim made was for breach of contract. The Demand sought \$2.97 million in costs that the Claimant asserts it expended "in reliance on the agreement," lost profits of "not less than \$3 million," costs, interest, and attorneys' fees. On or about March 2, 2012, the Company filed its Answering Statement, Affirmative Defenses and Counterclaim. The Answer denied all of the material allegations of the Demand for Arbitration, and the Counterclaim sought unspecified compensatory damages, as well as interest, costs and attorneys' fees for Claimant's failure to accurately report gross revenue during the term of the Franchise Agreement. This matter was settled on May 29, 2012 with a payment of \$300,000 to the Claimant and each party to bear its own attorneys' fees and costs.

The Intelligent Office System, LLC v. Virtualink Canada, Ltd. and Brian Monteith (Case No. 15-CV-02724-MEH, United States District Court for District of Colorado). In February 2006, we entered into a Master License Agreement with Virtualink Canada, Ltd. (“Virtualink”), as amended, and Brian Monteith (“Monteith”) as guarantor, granting Virtualink the right to sublicense Intelligent Office Centers in Canada.

In this action, we asserted the following claims against the defendants: declaratory judgment (against Virtualink), breach of contract (by Virtualink), trademark infringement (by Virtualink and Monteith), and breach of personal guaranty (by Monteith). These claims alleged that Virtualink failed to comply with the following types of requirements: payments, reporting, development of new franchises, technology and quality control standards, other operating requirements, and various post-termination obligations, including abiding by the termination of Virtualink’s franchise rights. We sought: 1) a declaration that Virtualink’s franchise rights had been properly terminated; 2) unspecified damages for Virtualink’s breaches of the Master License Agreement; 3) unspecified damages for Monteith’s personal guaranty; 4) a permanent injunction requiring Virtualink to comply with various post-termination obligations and to cease using our trademarks; and 5) payment of our costs and attorney’s fees.

Virtualink’s answer denied our claims and asserted various affirmative defenses and counterclaims against us. The counterclaims were for tortious interference, breach of contract, and breach of the duty of fair dealing. The counterclaims alleged that we improperly: 1) communicated with sub-franchisees; 2) terminated the Master License Agreement; and 3) lacked good faith in dealing with Virtualink. Virtualink sought dismissal of our claims with prejudice, judgment in favor of Virtualink on its counterclaims, and unspecified damages. We denied the counterclaims and asserted affirmative defenses against Virtualink.

On May 8, 2017, the parties settled this case. The settlement resulted in Virtualink and Monteith accepting that their Master License Agreement had been terminated, and that they had no right to continue operating their franchises. Virtualink had to assign all of its rights under its Canadian franchise agreements to us. We agreed to pay a fraction of the royalties it collected under those Canadian franchise agreements, for a limited period, to Virtualink. If our ownership changes, we agreed to accelerate the payment of that income stream to Virtualink. Virtualink and Monteith also had to commit their best efforts to facilitating the conversion of five Canadian franchises in which they held an interest to newer technology that we required them to use. To support their conversion, we agreed to pay up to three installments of \$25,000 each, for their satisfactory performance. If they failed to satisfactorily perform within a stated time, they had to pay us \$25,000. The settlement also required Virtualink to pay us certain prior royalties payable to us. We committed not to hire any Virtualink employee and to cooperate with Virtualink in resolving liability that Virtualink might have to the Canadian Revenue Agency, however we were not required to make any payment to the Canadian Revenue Authority. Virtualink, Monteith and certain related parties, had to enter into restrictive covenants not to compete with us. Each party agreed to indemnify and hold harmless the other against third party claims, if any, for that party’s operation of the franchised business or servicing under the Canadian franchise agreements. The parties also exchanged releases, agreed to dismiss the litigation with prejudice, and agreed to non-disparagement commitments. The court dismissed the litigation with prejudice, on or about May 15, 2017.

Master Franchisor and its Affiliates' Franchisor-Initiated Actions

Jan-Pro Franchising International, Inc. v. Jan-Pro of New Mexico, Inc., Robert Guido, and Sophia Guido (Case No. 1:20-cv-00597). On June 22, 2020, Jan-Pro International, Inc. filed a complaint against defendants seeking enforcement of post-termination obligations not to compete, asserting trademark infringement, false designation and misrepresentation of origin, trademark dilution, and misappropriation of goodwill, all related to defendant's operation of a competing business after termination of the franchise agreement between JPI and defendants. Defendants filed a counterclaim alleging failure to make payments related to national account work coordinated by defendants and performed by certified business owner of Defendants. JPI states that the withheld funds are subject to rights of offset related to debts owed to JPI by Defendants. In November 2020, the parties agreed to a Settlement that provided for entry of a Consent Injunction enforcing certain post termination non-compete and non-solicitation obligations and the dismissal of the lawsuit without prejudice. The dismissal was filed on December 1, 2020 and the Consent Injunction was signed on December 2, 2020.

In 2019, FRSTeam filed the following actions against a former franchisee and its owner seeking to, among other things, enforce post-termination obligations and collect royalty fees and advertising contributions:

FRSTeam, Inc. v. Gateway Cleaners, Inc. and Stephen Butler (Case No. 3:19-mc-8000, United States District Court for the District of Arizona), filed November 13, 2019 (seeking to enforce judgment from United States District Court for the Northern District of California).

Other than the actions described above, no litigation must be disclosed in this Item for the Master Franchisor.

**ITEM 4
BANKRUPTCY**

No bankruptcies must be disclosed in this Item for us or the Master Franchisor.

**ITEM 5
INITIAL FEES**

Initial Franchise Fee

When you sign your Franchise Agreement, you must pay us an initial franchise fee (the "Initial Franchise Fee"). This fee ranges from \$2,520 (if 10% discount is applied) to \$44,000, depending on the Account Gross Billings of the Initial Plan you purchase. The Initial Plans are described below. If you pay the Initial Franchise Fee in full when you sign the Franchise Agreement (without financing), we will discount the Initial Franchise Fee (ranging from \$2,800 - \$44,000) by 10%.

We may, at our option, finance a portion of the Initial Franchise Fee to help you purchase your Franchise. If we do so, you must make a down payment of \$950 to \$36,500, depending on the Initial Plan you choose, when you sign the Franchise Agreement. You must pay the balance—

ranging from \$1,850 to \$7,500—in equal monthly installments over the time that we establish before you sign your Franchise Agreement. You must pay interest on this balance at an annual rate of 10%. You must sign a Promissory Note to evidence your obligation to repay us these amounts. The form of Promissory Note is attached to the Franchise Agreement. All your owners must guarantee payment of the Promissory Note. The form of Guaranty is attached to the Franchise Agreement.

Initial Plans

We offer 19 Franchise plans (each, an "Initial Plan"). Each Initial Plan represents the purchase of contracts totaling a different amount of "Account Gross Billings." "Account Gross Billings" are the total estimated annual revenues from any Accounts you purchase from us and service.

INITIAL PLAN	ACCOUNT GROSS BILLINGS ¹	TOTAL FEE	IF YOU PAY ALL CASH ²	IF YOU FINANCE THE INITIAL FRANCHISE FEE		
				DOWN PAYMENT	AMOUNT FINANCED	MONTHLY PAYMENTS ³
FP-5	Accounts totaling \$5,000 per year	\$2,800	\$2,520	\$950	\$1,850	\$59.69
FP-8	Accounts totaling \$8,000 per year	\$4,250	\$3,825	\$2,250	\$2,000	\$64.53
FP-11	Accounts totaling \$11,000 per year	\$5,800	\$5,220	\$3,000	\$2,800	\$90.35
FP-14	Accounts totaling \$14,000 per year	\$6,900	\$6,210	\$3,700	\$3,200	\$103.25
FP-17	Accounts totaling \$17,000 per year	\$8,000	\$7,200	\$4,000	\$4,000	\$129.07
FP-20	Accounts totaling \$20,000 per year	\$9,000	\$8,100	\$5,000	\$4,000	\$129.07
FP-25	Accounts totaling \$25,000 per year	\$10,700	\$9,630	\$5,700	\$5,000	\$161.34
FP-30	Accounts totaling \$30,000 per year	\$11,850	\$10,665	\$6,850	\$5,000	\$161.34
FP-35	Accounts totaling \$35,000 per year	\$13,000	\$11,700	\$8,000	\$5,000	\$161.34
FP-40	Accounts totaling \$40,000 per year	\$14,000	\$12,600	\$9,000	\$5,000	\$161.34

¹ The actual Gross Billings you get under your Initial Plan depend on many variables, including satisfying your customers and retaining your Accounts, and whether or not you accept Accounts offered to you (and do not stop servicing your Accounts), and which Accounts are counted in the fulfillment of your Initial Plan. The Account Gross Billing figures used for our various Initial Plans must not be considered as actual or potential sales, costs, income or profits you will realize—your actual sales, costs, income or profits will vary. We do not guarantee that you will realize or maintain these Account Gross Billing figures because it is impossible for us to do so with any degree of certainty.

² This amount shows a 10% discount.

³ "Monthly Payments" include interest at 10% a year. The length of time for these payments varies by Initial Plan.

INITIAL PLAN	ACCOUNT GROSS BILLINGS ¹	TOTAL FEE	IF YOU PAY ALL CASH ²	IF YOU FINANCE THE INITIAL FRANCHISE FEE		
				DOWN PAYMENT	AMOUNT FINANCED	MONTHLY PAYMENTS ³
FP-50	Accounts totaling \$50,000 per year	\$16,000	\$14,400	\$11,000	\$5,000	\$161.34
FP-60	Accounts totaling \$60,000 per year	\$18,000	\$16,200	\$13,000	\$5,000	\$161.34
FP-75	Accounts totaling \$75,000 per year	\$21,000	\$18,900	\$16,000	\$5,000	\$161.34
FP-85	Accounts totaling \$85,000 per year	\$22,950	\$20,655	\$17,950	\$5,000	\$161.34
FP-100	Accounts totaling \$100,000 per year	\$26,000	\$23,400	\$21,000	\$5,000	\$161.34
FP-125	Accounts totaling \$125,000 per year	\$31,000	\$27,900	\$23,500	\$7,500	\$242.00
FP-150	Accounts totaling \$150,000 per year	\$36,000	\$32,400	\$28,500	\$7,500	\$242.00
FP-175	Accounts totaling \$175,000 per year	\$40,000	\$36,000	\$32,500	\$7,500	\$242.00
FP-200	Accounts totaling \$200,000 per year	\$44,000	\$39,600	\$36,500	\$7,500	\$242.00

Your Account Gross Billings do not reflect the costs of sales and operating expenses that must be deducted from Account Gross Billings to get your net revenue or profit.

Once you accept an Account, we transfer ownership of the Account to you, and the Account remains your property unless transferred pursuant to the Franchise Agreement or Agreement or by operation of the terms of the Account contract. An Account will immediately be transferred if the customer requests in writing that its service contract be terminated or serviced by another franchisee; you sell Jan-Pro cleaning or similar supplies to Jan-Pro customers without our consent or provide services to Jan-Pro customers outside of your Franchise Agreement; your Franchise Agreement is terminated; you otherwise stop being a Jan-Pro franchisee; or you no longer want to service a customer.

You will review each new Account we offer to you, and decide for yourself whether or not you will accept that Account under your Initial Plan. If you reject an Account we offer under your Initial Plan, we will have a reasonable time to offer you a replacement Account, which may take longer than our original time commitment to you.

If, within the first 12 months after you accept an Account, the Account is terminated for any reason other than your documented Misconduct, or if you stop servicing a customer because the customer does not pay (a “Terminated Account”), we will, within a reasonable time, offer a replacement Account(s) as follows:

- We can offer replacement Accounts that are equal to, or more than, the full Account Gross Billings of the Terminated Account. In this case, our replacement obligation ends at 12 months from *the Terminated Account's Start Date*); or
- We can offer replacement Accounts that are equal to, or more than, the remaining Account Gross Billings of the Terminated Account. In this case, our replacement obligation ends 12 months from the *replacement Account Start Date*).

If an Initial Plan Account has Account Gross Billings that are greater than the amount required to be offered under the Initial Plan, or a replacement Account offered has Account Gross Billings that are greater than the Terminated Account, you must pay us a Sales and Marketing Fee for the excess.

For example, if a terminated Account's Account Gross Billings is \$1,000 per month (\$12,000 per year), and you provided services for 7 months before the Account terminates, you have received Account value of \$7,000. We will replace the Account with Accounts that provide the remaining \$5,000 in Account Gross Billings during the 12 months after you start servicing the new Account.

If a customer terminates your services at any time after one year from the date you begin providing services for that customer, we are not obligated to replace that Account, no matter what the reason for termination.

Our Time To Fulfill The Initial Plan

Under the Franchise Agreement, we generally have 120 business days after your Start Date to offer you Accounts with the required Account Gross Billings. However, if your Initial Plan is over \$35,000 in Account Gross Billings, we have 120 business days, plus an additional 30 business days for each \$15,000 of Account Gross Billings, *or portion of that amount*, over the \$35,000 of Account Gross Billings, to offer you Accounts with required Account Gross Billings. These time periods will be extended if you lose an Account (other than for your Misconduct) or we discontinue your services to an Account because we determine that you need additional certification or if you default under your Franchise Agreement. See Section 1.2 of the Franchise Agreement for more information.

Refunds of Initial Franchise Fee

If we fail to offer you initial Accounts with the Account Gross Billings required under your Franchise Agreement within the agreed-on time, we will reduce the Initial Franchise Fee by the Adjustment Amount. The "Adjustment Amount" is the difference between the Initial Franchise Fee for the Initial Plan you purchased and the Initial Franchise Fee for the Initial Plan we actually offered. We will apply the Adjustment Amount first to reduce any amounts you owe us (including under a Promissory Note) and any remaining amount will be refunded to you. Other than this, the Initial Franchise Fee is not refundable for any reason.

If the Initial Plan we offer to you is not one of the standard Initial Plans, we use a formula to determine the Adjustment Amount. For example, if you purchase a FP-20 (\$20,000 of estimated

Account Gross Billings per year), the Initial Franchise Fee is \$9,000. If we offer you Accounts with Account Gross Billings that only total \$16,200 per year (which is between the FP-17 and FP-14, the marginal rate (“Marginal Rate”) between the FP-17 and the FP-14 is 36.66%. Here is the calculation:

- The difference between the Initial Franchise Fees for FP-17 and FP-14 is \$1,100 (\$8,000 - \$6,900)
- The difference between the Account Gross Billings for FP-17 and FP-14 is \$3,000 (\$17,000 - \$14,000)
- The Marginal Rate is calculated as $\$1,100 \div \$3,000 = 36.66\%$
- The Initial Franchise Fee for the actual Accounts offered to you would be:
 - the FP-14 Initial Franchise Fee of \$6,900
 - PLUS the amount above \$14,000 in Account Gross Billings of \$2,200 (\$16,200 offered - \$14,000), multiplied by the Marginal Rate of 36.66% = \$807
- The Initial Franchise Fee of the Initial Plan we offered would therefore be $\$6,900 + \$807 = \$7,707$. Your refund would be $\$9,000 - \$7,707 = \$1,293$. If you financed your Initial Franchise Fee, the refund amount will be deducted first from any remaining balance under your Promissory Note.

Your “Start Date” is the date on which you have: 1) obtained all licenses and permits required by law to operate your Franchise; 2) obtained your initial equipment and supplies described in Item 7 (the “Initial Equipment Package”); 3) obtained the required insurance; 4) successfully completed our Certification Program (defined in Item 11); 5) created a business entity as required by the Franchise Agreement; 6) assigned the Franchise Agreement to that business entity (and each owner of the business entity has signed the Guaranty agreement); and 7) fulfilled any other reasonable conditions that we require.

Initial Equipment Package

Before the Start Date and within a reasonable time after you have completed our Certification Program, you must get the Initial Equipment Package. You must purchase the Initial Equipment Package either from us for \$1,000 plus any applicable sales tax, or from a third party or parties at their market price.

**ITEM 6
OTHER FEES**

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Royalty Fee	10% of your Gross Billings for the previous month	Monthly	“Gross Billings” means the total revenues due from all Accounts for services you provided under the Marks. See Section 5.1.1 of the Franchise Agreement for more information on what Gross Billings includes.
Support Fee	5% of your Gross Billings for the previous month	Monthly	
Administrative Fee	10% of your Special Services Billings for the previous month	Monthly	“Special Services Billings” means Gross Billings for Special Services. “Special Services” are special or isolated cleaning services performed under one-time nonrecurring contracts that you accept. These services may include carpet cleaning and extraction, floor stripping and refinishing, disinfection services, or initial cleaning, and the like. Amounts due from customers for Special Services are included in your Gross Billings; they are, however, separately reported and invoiced.
Advertising Fee	Up to 1%	Monthly	We have the right to implement a system-wide advertising and promotion fund.
Technology Fee	Up to \$60	Monthly	You will pay us a monthly technology fee of no more than \$60 for use of a business management software platform that we may require you to use.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Negotiation Fee	The first month's Gross Billings under a Negotiated Contract	3 equal installments, the first of which is due when the first payment under the Negotiated Contract is received.	A "Negotiated Contract" is a cleaning-services contract that you bid and negotiated with our help, if you requested our help.
Complaint or Standards Violation Fee and Service Fee	\$50 for the Complaint or Standards Violation Fee; an amount equal to the cost of the other party to perform the services plus a fee of 20% of the cost for our administrative services for the Service Fee	When Complaint is made or you violate the policies and procedures	You must pay us a Complaint or Standards Violation Fee for each Customer Complaint or violation of the policies and procedures. A "Complaint" is a customer complaint to which you did not respond in accordance with the customer agreement or our then-current branded warranty program. You also must pay us a Service Fee to compensate us for the cleaning services that we contracted a third party to perform to fix the Complaint.
National Accounts Support Fee	2% of Gross Billings from National Accounts for the previous month	Monthly	A "National Account" is a national or regional account that we got from the Master Franchisor's affiliate. This fee is in addition to the Royalty Fee due on Gross Billings from National Accounts.
Substitution Fee	The customer's payments for the substituted services	You do not pay us these fees; the customer pays us.	We may assist you by providing substitute contractors to perform your janitorial services. If our substitute contractors perform these services, you will not get any payments from the customer for these services.
Renewal Fee	\$750	Before the start of the renewal term	You must pay us a Renewal Fee for renewing your Franchise Agreement.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Transfer Fee	The greater of: \$1,500 or 8% of your total Gross Billings for the 12 full calendar months before the transfer	Before the transfer	If you transfer your Franchise, you must pay us a Transfer Fee. If we require the transferee to enter a new Franchise Agreement, the transferee will not pay any initial franchise fee.
Advances	Amount of the uncollected Advance	90 days after Account is invoiced	Our payments to you under Section 7.3 of the Franchise Agreement are advances ("Advances") to the extent that your customers have not actually paid. If, after 90 days from the date an Account is invoiced, the customer has not paid, you must reimburse us the amount of the uncollected Advances and our related fees. We will not charge interest on Advances, unless you don't repay them on time. We will not make Advances to you for your Special Services Billings.
Advance Assurance Fee	2% of Gross Billings for the previous month	Monthly	We may offer you the option to pay us an Advance Assurance Fee instead of repaying uncollected Advances. If you choose to pay this fee, you must pay the Assurance Fee for the remainder of the Initial Term, or until we discontinue the Advance Assurance Fee program.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Key Return Fee	\$500 for each day that you do not return customer keys	On demand	When your Franchise Agreement expires or terminates, you must immediately give us or the customer (as each customer decides) all keys, security passes, security codes, and any other means of access to your customers' premises. You also must do this if you stop servicing any customer.
Replacement Manager Certification Fee	\$250	Before attendance	All of your managers must attend our Certification Program. You must pay the costs your manager incurs in attending the Certification Program. We may charge a reasonable fee after we have provided the Certification Program for 4 of your representatives.
Interest	The lesser of: (i) 18% per annum; or (ii) the maximum rate of interest permitted by law	On demand	If you don't pay us on time, interest accrues from the due date until the amount is paid in full.
Business Protection Program	Amount of the premium, fees payable to us for administering program, and other related and incidental costs	On demand	We may allow you to participate in a group insurance plan (the "Business Protection Program") that provides general liability insurance, workers' compensation insurance (where available), and bonding to us and our participating franchisees through an insurance company that names us and you as insureds. If we do, and you elect to participate in the Program, you must pay us these amounts.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Insurance Review	Currently \$50 per year	On demand	If you choose to obtain your insurance outside of the Business Protection Program, we may charge you an administration fee commensurate with our costs for tracking your policies and renewals from a third-party insurance provider. We do not charge this fee under the Business Protection Program because the insurance provider does this for us.
Default Collection Expenses	Our actual costs	On demand	If we hire an attorney or other professionals because you don't pay us, or you don't send in required reports, information or supporting records, or you otherwise breach your Franchise Agreement, you must pay us these amounts.
Indemnification	All amounts we have to pay	On demand	If we or the Master Franchisor has to pay any amounts because of something you did, you must pay us back. Examples of amounts covered by this indemnity include claims relating to: your or your employee's car accident; you being determined to be our employee by any federal or state agency; and your failing to act as an independent business owner or failing to pay any income, unemployment, or payroll tax or file any return relating to being an independent business owner.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Reimbursement for Performing Your Obligations	Amount we pay, plus interest at the Contract Interest Rate beginning on the 10th day after we request reimbursement	On demand	If you breach your Franchise Agreement, we have the right (but not the duty) to perform your obligations for you. If we do, you must pay us back.
Lost Manual Fee	\$200 for each replaced Manual	Before we provide you with the replacement Manual	If you lose any of the Manuals (even if stolen or destroyed), we will loan you a replacement copy of each Manual.
Testing Fee	The reasonable cost of the inspection and the actual cost of the testing	On demand	If you propose to purchase or lease any equipment, supplies, inventory or other products or services from an unapproved supplier, or that do not comply with our specifications, you must pay us this amount for inspecting and testing.
Collection Costs	Our out-of-pocket costs (including, legal fees and court costs)	On demand	If any of your customers do not pay, we may hire attorneys, file suit, or take any other actions we consider appropriate to collect amounts due, at your expense.
Insurance	The cost of the insurance, plus interest at the Contract Interest Rate, plus a reasonable fee for our expenses	On demand	If you do not get and keep the insurance required by your Franchise Agreement, we have the right (but not the duty) to get that insurance for you. If we do, you must pay us these amounts.

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Liquidated Damages	The total of all Royalty Fees and Support Fees for the lost Customers for 12 months.	On demand	If you violate Section 17.1.1 of the Franchise Agreement, you must pay to us a lump sum payment (as liquidated damages for causing the loss of Customers and not as a penalty).

All fees in the above chart are imposed by and paid to us. All fees are nonrefundable.

Billing and Collections

Pursuant to the Franchise Agreement you purchase from us the following services that we perform on your behalf:

- invoice and collect from your Accounts; and
- accept and process payments from customers.

We collect the money due on Accounts and deduct, and pay ourself, Royalty Fees, Support Fees, Advertising Fees, Collection Costs, and any other money then due to us (including under any Promissory Note). On the last business day of each month, we pay you the net amount billed to your recurring Accounts the previous month (after deducting the amounts described in the prior sentence). We will include payment for your net amount invoiced for your Special Services Billings only once the customer has paid.

Additional Accounts

After you sign a Franchise Agreement, we provide sales and marketing services for you on a commission basis relating to additional Accounts (not included in the original Initial Plan) that we may offer to you ("Additional Accounts"). You may review each Additional Account and decide whether you wish to take it. To get Additional Accounts, you must pay us a sales and marketing commission/fee (the "Sales and Marketing Fee") for the value of the services we provide in the acquisition and negotiation of the Account on your behalf. We will transfer ownership of the Additional Account to you on your written acceptance of the Additional Account. The Sales and Marketing Fee for each Additional Account is determined by your total Annualized Billings, as follows:

- If your Annualized Billings are less than \$20,000, the Sales and Marketing Fee is 5 times the Monthly Account Gross Billings.
- If your Annualized Billings are \$20,000 or more, the Sales and Marketing Fee is 4 times the Monthly Account Gross Billings.

"Annualized Billings" means the product of 12 times your total Gross Billings for the month before the month in which you are acquiring the Additional Accounts. "Monthly Account Gross Billings" for an Additional Account equals the Annualized Billings for that account divided by 12.

Payment for Additional Accounts

- You may pay us the Sales and Marketing Fee:
- You may pay the entire Sales and Marketing Fee in cash, and get a 10% discount.
- You may pay the Sales and Marketing Fee in 4 or fewer equal monthly installments. We will deduct those installments (and any other amounts you owe us) from the first 4 payments we collect for you from your Accounts. If those first 4 or fewer collected payments are not sufficient to fully pay the Sales and Marketing Fee (and those other amounts), we may either require you to pay the balance due on demand or deduct the balance due from amounts we later collect from your Accounts.
- You may finance the Sales and Marketing Fee by making a down payment and financing the balance of the Sales and Marketing Fee. Under this loan option, you will sign the Promissory Note attached to the Franchise Agreement and all your beneficial and legal owners must guarantee all your obligations under the Promissory Note and must sign a Guaranty in the form attached to the Franchise Agreement. The Promissory Note will have an original principal amount equal to the outstanding balance of the Sales and Marketing Fee and annual interest on the unpaid principal amount at the rate of 10%. Installments of principal and interest are due monthly after the month you begin servicing the Additional Account.

Loss of Additional Accounts

If any Additional Accounts are terminated, within the Replacement Obligation Period (defined below), for any reason other than your Misconduct, we will replace the terminated Additional Account within a reasonable time as stated in your Franchise Agreement. The "Replacement Obligation Period" is:

- 12 months from the date you begin servicing the Additional Account if you pay the entire Sales and Marketing Fee in cash as provided in Section 4.2.1 of the Franchise Agreement or pay the Sales and Marketing Fee in 4 or fewer consecutive equal monthly installments as provided in Section 4.2.2; or
- 6 months from the date you begin servicing the Additional Account if you pay the Sales and Marketing Fee in any other manner.

If an Additional Account is terminated after the Replacement Obligation Period expires, we do not have to replace it, no matter what the reason for termination.

Cooperatives

There are no cooperatives in which you must or may participate; however, we may negotiate with some suppliers for you, at your request.

**ITEM 7
ESTIMATED INITIAL INVESTMENT**

YOUR ESTIMATED INITIAL INVESTMENT					
Type Of Expenditures	Amount		Method Of Payment	When Due	To Whom Payment Is To Be Made
	Low	High			
Initial Franchise Fee	\$2,520	\$44,000	Pay in Full or Installments	When you sign your Franchise Agreement	Us
Travel and Living Expenses While Attending Certification Program (1)	\$50	\$300	As Arranged	During Certification Program	Hotels, Parking facilities, Gas stations
Office and Related Expenses (2)	\$150	\$550	Pay in Full	As Incurred	Vendors
Vehicle (3)	\$0	\$500	If Needed	As Incurred	Third Party
Initial Equipment Package (4)	\$1,000	\$1,250	Pay in Full	Before Opening	Us or Third Party
Real Estate (5)	\$0	\$550	As Incurred	As Incurred	Landlord
Floor Buffing Machine (6)	\$25	\$1,300	Lease or Pay in Full	As Incurred	Vendor
Carpet Cleaning Machine (7)	\$25	\$4,400	Lease or Pay in Full	As Incurred	Vendor
Insurance (8)	\$200	\$620	Pay in Installments	As Incurred	Us or Insurance Company
Legal & Organizational Costs (9)	\$50	\$2,000	Pay in Full	Before Opening	Government Agencies and Attorneys
Additional Funds (3 Months) (10)	\$150	\$550	As Incurred	As Incurred	Employees, government agencies, third parties
Total Initial Investment	\$4,170	\$56,020			

1. Travel and Living Expenses While Attending Certification Program. This estimate includes only local travel between your home and a local commercial site where the Certification Program is presented.
2. Office and Related Expenses. This item covers additional phone costs, office/administrative supplies, uniforms and sometimes, additional janitorial supplies.
3. Vehicle. You need a vehicle for transportation to and from the customer facilities you service. You typically use your personal vehicle for this purpose. The monthly cost will vary based on the make, model, and condition of the vehicle, financing arrangements, area in which the vehicle will be used, and the like.
4. Initial Equipment Package. You must purchase the Initial Equipment Package items, which may be purchased from us for \$1,000 plus any applicable sales tax, or from a third party. The required Initial Equipment Package includes:

* UNIFORMS:	*CHEMICALS:
2 Collared Shirts	1 Gallon Concentrated Window Cleaner
*EQUIPMENT:	1 Gallon Shinline Multi-Surface Cleaner
3 32oz Spray Bottles with Triggers	1 Gallon DMQ Disinfectant
1 Sponge With White Pad	1 Gallon Damp Mop Neutral Floor Cleaner
1 Johnny Mop w/Cone	1 Quart Foamy Q & A Cleaner
11" Putty Knife	1 Quart SparCling HCL
1 Gallon Pump	1 Quart SSE Carpet Prespray & Spotter
1 Dust Pan	*SAFETY:
1 Angle Broom	1 Wet Floor Sign
1 24oz Blended Mop Head Looped End	1 Box Latex or Vinyl Gloves
1 60" Wet Mop Handle	1 Pair Safety Glasses
1 Set Mop Bucket and DPress Wringer	1 Measuring Cup
1 Set 44 Gallon Barrel w/Dolly & Caddy Bag	Appropriate Labels for Trigger Sprayers
1 Pro Team Super Coach Vacuum	Appropriate Safety Data Sheets ("SDS")
1 Pkg. Kent Euroclean Micro Fiber Cloths	
1 24" MicroFiber Floor Cloth Complete With Handle & Pad Holder	

5. Real Estate. Typically, you use your residence as an office and storage facility for your Franchise. You can, however, rent storage space costing about \$40 - \$75 per month. You also can rent a 10' x 12' office, unfurnished, for about \$120 - \$260 per month, or furnished at about \$210 - \$475 per month. These costs vary depending on your location and general availability of office space.
6. Floor Buffing Machine. You may lease this machine for \$25 - \$50 per day. The machine, if purchased, will cost about \$500 - \$900.
7. Carpet Cleaning Machine. You may want to get carpet-cleaning equipment for carpet-cleaning requests. The cost to purchase this equipment may range from \$500 - \$1,500, depending on the supplier, the type of equipment, and whether it is used or new. You also may lease this equipment at a cost of \$25 - \$50 per day, depending on these same factors.
8. Insurance. See Item 8 for the required insurance.
9. Legal & Organizational Costs. You must get business licenses and permits from various state and local agencies. The costs vary and can range from \$25 to \$800 for each item. Additional fees to prepare and file for these items can range from \$700 to \$1,000. The higher end of the estimate assumes that you will form an entity to operate your Franchise which is now required.
10. Additional Funds (3 Months). This is only an estimate of the expenses for your initial start-up phase. The additional funds you will need to operate during this phase include payroll costs, rent, utilities, and transportation costs to service your customers. These estimates include no salary or allowance for you; any royalty fees, or any other amounts you must pay us; or any additional supplies you may need after your initial inventory is consumed. We cannot guarantee you will not have additional expenses starting your business. The actual amount of additional funds you will need during the initial phase of operating will depend on factors such as: the size and location of your Franchise, how much you follow our methods and procedures; your management skill, experience, and business ability; local economic conditions; the local market for Jan-Pro cleaning and maintenance services; the prevailing wage rate, and other factors. By providing these estimates of your costs, we are not making any representation that you will have any level of sales. The estimates are of your expenses only and reflect no offsetting sales revenue you may earn from operations to pay those expenses.

We relied on our experience in supporting unit franchises that provide cleaning and maintenance services to compile these estimates. Review these figures carefully with a business advisor before deciding to purchase the Franchise. Except as stated in Item 10, we do not offer direct or indirect financing to franchisees for any items.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Purchasing Requirements

You are not required to buy or lease equipment, chemicals, supplies, inventory, advertising materials, and any other products and services used to operate your Franchise directly from us or our affiliates. However, you must buy or lease equipment, chemicals, supplies, inventory, advertising materials, and any other products and services used to operate your Franchise under our written requirements. These requirements include standards for quality, safety, OSHA compliance, cleaning efficiency and economy, and any other standards we think appropriate for the Franchise. We are an approved supplier for many items you must buy or lease for the operation of your Franchise.

Purchases From Approved Suppliers

You must purchase or lease certain equipment, chemicals, supplies, inventory, advertising materials, and any other products and services used to operate the Franchise only from manufacturers and suppliers that we approve in writing. We will provide you with a list of approved and designated suppliers for supplies and equipment. We have the right to require you at any time to purchase other products and/or services only from suppliers that we approve.

We may designate ourself, or an affiliate, as an exclusive or nonexclusive supplier of any of the products or services used to operate your Franchise, and may make a profit supplying these products and services to you. Currently, none of our officers owns an interest in a required supplier.

Approval of Alternative Suppliers

If you propose to purchase or lease any equipment, supplies, inventory or other products or services from an unapproved supplier, or that does not comply with our specifications, you must submit a written request for our approval, or request the proposed supplier itself to do so. As a condition of our approval, which we may grant or withhold or revoke in our sole discretion, we may require that our representatives be permitted to inspect the proposed supplier's facilities, and that samples from the supplier be delivered, at our option, either to us or to an independent, certified laboratory we designate for testing. For products involving new specifications, we may likewise require that samples of those products be delivered either to us or to an independent, certified laboratory we designate for testing. We are not liable for damage to any sample that may result from the testing process. You must pay a charge not to exceed the reasonable cost of the inspection and the actual cost of the testing.

We may, at our option, reinspect any approved supplier's facilities and products and continue to sample the products at the supplier's expense. We may revoke approval on the supplier's failure to continue to meet our specifications. We also may require as a condition to our approval, that the supplier present satisfactory evidence of insurance, such as product-liability insurance, protecting us and you against all claims arising from the use of the supplied item(s) within the

System. We will exercise reasonable efforts to approve or disapprove your proposal within 30 days after we receive your written request for approval.

Authorized manufacturers and suppliers must demonstrate, to our continuing satisfaction, that they possess, among other things: the ability to meet our reasonable standards and specifications; and adequate quality controls and capacity to supply your needs promptly and reliably. When considering whether to approve suppliers for the System, we may consider any other relevant factors, including any factors relating to the price and quality of the products or services and the supplier's reliability. We may approve a single supplier for any brand and may approve a supplier only as to a certain brand or brands. We may concentrate purchases with one or more suppliers to obtain the lowest prices or the best advertising support or services for any group of franchised businesses. We may condition our approval of a supplier the frequency of delivery, standards of service, including prompt attention to complaints, and concentration of purchases. Our approval may be provisional, pending our further evaluation of the supplier. We may revoke our authorization at any time in writing.

Purchases In Accordance With Our Specifications

You must purchase or lease certain equipment, chemicals, supplies, inventory, advertising materials, and any other products and services used to operate the Franchise only in accordance with our specifications. For example, you must purchase or lease certain equipment, supplies and insurance for your Franchise in accordance with our specifications.

Specifications that we have formulated for these items are in our Manual. We may modify these specifications on reasonable written notice to you. We will consider your written request for a modification of a specification, if you explain the reason for the requested modification (or for the approval of any product or service we have not previously approved) and provide us with sufficient technical data to enable us to evaluate your request. We will provide you with notification of approval or disapproval within 30 days after receipt of your request. We will approve a request if we determine that a modified specification is appropriate or that any product or service meets our specifications then in effect. We may perform tests to determine if any equipment or products meet our specifications. We will charge you a fee to cover our out-of-pocket expenses, plus our then-current per diem charges for our personnel, for any required testing or inspection.

Insurance

You must have the types and amounts of insurance we require. This insurance is in addition to any other insurance you must have by law or otherwise. At a minimum, these policies include:

- janitorial bonding of at least \$50,000;
- workers' compensation insurance for you and all of your employees with a minimum coverage of \$100,000 or the minimum state law coverage, whichever is higher, and all unemployment insurance required under state and federal laws to maintain a proper unemployment insurance customer account;

- comprehensive general liability insurance covering property damage, loss and personal injury of at least \$1,000,000 per occurrence, \$2,000,000 in the aggregate, and automobile liability with a minimum coverage of \$1,000,000, personal injury and property damage insurance; and
- automobile liability insurance of at least \$1,000,000, personal injury and property damage insurance.

These policies must be written by an insurance company reasonably satisfactory to us with a Best rating of "A-" or better, and, to the extent permitted by law, must name us and the Master Franchisor as additional insureds. We can adjust the amounts of insurance required under these policies and require different or additional kinds of insurance, including excess liability insurance. We may do this to protect against inflation, new risks, changes in law or standards of liability, greater damage awards, or other relevant changes in circumstances.

If you choose to obtain your insurance outside of the Business Protection Program, described below, we may charge you an administration fee commensurate with our costs for tracking your policies and renewals from a third-party insurance provider. This fee is currently \$50 per year. We do not charge this fee under the Program because the insurance provider does this for us.

The Business Protection Program

We may allow you to participate in a group insurance plan (the "Business Protection Program") that provides general liability insurance, workers' compensation insurance (where available), and bonding to us and our participating franchisees through an insurance company that names us and you as insureds.

Initial Equipment and Supplies Package

You must get the Initial Equipment Package, which is described in Item 7. You may purchase these items from us or a third party if they meet with our specifications, within a reasonable time after you complete our Certification Program.

Revenues Derived from Required Purchases and Leases

In our fiscal year ending December 31, 2020, our revenues from the sale of equipment, chemicals, supplies, insurance and uniforms to franchisees was \$22,000, or .6% of our total revenues.

In the fiscal year ending September 30, 2020, the Master Franchisor received \$174,475 for licensing the software, and \$56,478 for Web-hosting and e-mail services. The Master Franchisor also received rebates from several suppliers who provide regional franchisees and unit franchisees with marketing materials, paper products, cleaning chemicals and cleaning equipment. In the fiscal year ending September 30, 2019, these rebates totaled \$427,936 for cleaning chemicals; \$51,409 for cleaning equipment; \$51,992 for paper products; \$11,370 for marketing materials; \$15,900 for Systino; and \$71,807 other. These amounts total \$861,367 or 4% of the Master Franchisor's total revenue of \$21,418,653.

In the fiscal year ending September 30, 2019, the Master Franchisor's affiliate, Jan-Pro Enterprises, LLC, received revenues from regional franchisees' and unit franchisee's purchases of services and/or products. These amounts total \$1,158,119 or 138.5% of the affiliate's total revenues of \$836,420.

The cost of all goods and services purchased under our specifications will range from 80% to 90% of your total purchases in starting your Franchise and range from 15% to 40% of your total purchases during the operation of your Franchise. The range is based on the Initial Plan you purchase and estimated Gross Billing.

Supplier Rebates

We receive no rebates or discounts because of franchisee purchases.

No Purchasing or Distribution Cooperatives

No purchasing or distribution cooperatives exist. We do not undertake to negotiate purchase arrangements (including price terms) with suppliers.

No Material Benefits for Use of Approved Sources

We do not provide material benefits to you based on your use of designated or approved sources.

**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 UNIT FRANCHISE AGREEMENT	DISCLOSURE DOCUMENT ITEM
a. Site selection and acquisition/lease	Not applicable	Items 11 and 12
b. Pre-opening purchases/leases	Sections 8.5.1 and 9.1	Items 5, 7, 8, and 11
c. Site development and other preopening requirements	Not applicable	Not applicable
d. Initial and ongoing certification	Sections 7.1 and 8.1	Items 6, 7, and 11
e. Opening	Not applicable	Items 7 and 11

OBLIGATION	SECTION IN UNIT FRANCHISE AGREEMENT	DISCLOSURE DOCUMENT ITEM
f. Fees	Sections 2.2, 3.1, 4.1, 5.1, 5.2, 5.5, 7.2, 7.3, 7.4, 7.5, 7.6, 7.7, 8.1, 14.4, 16.2, and 18.4	Items 5, 6, and 7
g. Compliance with standards and policies/operating manuals	Sections 1.1, 12.1, and 12.2	Items 8 and 11
h. Trademarks and proprietary information	Article 11 and Section 12.3	Items 13 and 14
i. Restrictions on products/services offered	Section 8.9	Item 16
j. Warranty and customer service requirements	Section 8.9 and Section 9.1	Not applicable
k. Territorial development and sales quotas	Not applicable	Not applicable
l. Ongoing product/service purchases	Section 8.5	Item 8
m. Maintenance, appearance and remodeling	Not applicable	Not applicable
n. Insurance	Article 14	Items 6, 7, and 8
o. Advertising	Section 7.6 and Article 11	Items 6, 7, and 11
p. Indemnification	Section 19.3	Item 6
q. Owner's participation/management/staffing	Sections 7.7 and 8.7	Item 15
r. Records/reports	Article 10	Not applicable
s. Inspections/audits	Section 10.3 and Article 13	Item 6
t. Transfer	Article 18	Items 6 and 17
u. Renewal	Section 2.2	Items 6 and 17
v. Post-termination obligations	Article 16	Item 17
w. Non-competition covenants	Article 17	Item 17

OBLIGATION	SECTION IN UNIT FRANCHISE AGREEMENT	DISCLOSURE DOCUMENT ITEM
x. Dispute resolution	Article 20, and 22.10 and 22.14	Item 17
y. Other	Not applicable	Not applicable

ITEM 10 FINANCING

We may finance a portion of the Initial Franchise Fee for qualified franchisees. We also may finance a portion of the Sales and Marketing Fee if you accept Additional Accounts from us. Financing also is available for equipment leases. We offer no other financing.

We may finance between \$1,850 and \$7,500 of your Initial Franchise Fee, depending on the Initial Plan you buy. We also may finance a portion of any Sales and Marketing Fee. We may finance up to 75% of the purchase price for certain equipment you buy from us for 12 to 36 months. In each case, you must sign a Promissory Note in the form attached to the Franchise Agreement for the amount financed. This amount must be paid in not more than 36 equal monthly installments with interest at 10% per year.

Your obligations under the Promissory Note are secured by a security interest in all your assets that you use in your Franchised Business. These assets include all equipment, inventory, agreements, contracts, your Accounts, your accounts receivable, and all other property you now own or later acquire, used in your Franchised Business. You may pay the Promissory Note early with no prepayment penalty. All your owners must sign the Guaranty attached to the Franchise Agreement. Under this Guaranty, your owners guarantee that you will perform all your obligations under the Promissory Note.

- If you default under the Promissory Note:
- the entire amount left on the Promissory Note becomes immediately due;
- you must pay court costs and legal fees we pay to collect the amounts you owe (even if we don't sue you);
- you must pay interest at the lesser of (i) 18% a year or (ii) the maximum legal rate on the remaining principal balance, and all accrued interest; and
- we may terminate your Franchise Agreement.

Under the Promissory Note, you waive the following defenses and legal rights: valuation and appraisal, demand, presentment, notice of non-payment, dishonor and protest; and your right to a jury trial.

The Promissory Note permits us to assign it, but it is not our practice or current intention to sell, assign, or discount all or any part of any Promissory Note to a third party.

Neither we nor any affiliate receives any consideration for placing financing with any third-party lender.

JAN PRO Veterans Preference Program

To provide support to past veterans and current veterans being released from active service, we offer all qualifying veterans financing of 50% of the Initial Franchise Fee for all Initial Plans FP-20 and above. We will provide this financing for 24 months, at no interest. You must sign a Promissory Note in the form attached to the Franchise Agreement for the amount financed. A summary of the other terms of the Promissory Note and Guaranty you must sign is disclosed above. To qualify for this program, you must be a veteran who has received an honorable discharge from the U.S. Military and you must give us a copy of your Form DD 214 showing your status as a veteran.

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

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

Pre-Opening Obligations

Before you open your business, we will:

1. offer you the Initial Plan that consists of offering you one or more Accounts for customers in our Territory. These accounts are estimated to generate a certain dollar amount of Account Gross Billings. (Franchise Agreement, Section 1.2)
2. provide up to 4 people with a comprehensive initial instructional program at no charge (the "Certification Program"). (Franchise Agreement, Section 7.1)
3. loan you one registered copy of each volume of the Jan-Pro operating manuals (the "Operations Manual") (with periodic revisions as required). Our customary practice is to deliver the Operations Manual at or shortly before the initial Certification Program. (Franchise Agreement, Section 12.2) The Operations Manual's table of contents is attached as Exhibit B.
4. sell to you (if you choose) or provide you with the Initial Equipment Package. The fee in Item 5 will apply. (Franchise Agreement, Section 8.5.1)
5. provide you with a list of approved suppliers and approved equipment, chemicals, and supplies during initial certification. (Franchise Agreement, Section 8.5)

Post-Opening Obligations

During the operation of your business:

1. We will invoice Accounts monthly (unless a service contract requires a different procedure or we consider a different interval appropriate). We will collect the money due on Accounts and deduct, and pay our self, Royalty Fees, Support Fees, Advertising Fees, Collection Costs, supply costs, service fees, insurance amounts, and any other money then due to us (including money due under any Promissory Note). (Franchise Agreement, Section 7.2)
2. On the last business day of each month, we will advance you the net amount billed to your recurring Accounts the previous month (after deducting the amounts described in the prior sentence). We will include payment for your net amount invoiced for your Special Services Billings only once the customer has paid. (Franchise Agreement, Section 7.3)

3. We will assist you with your customer relations. You are responsible for finding a replacement if you cannot service your customers. We may assist you by locating contractors to perform janitorial services if you cannot. If substitute contractors perform these services, you will be deemed to have directed us to divert any revenue you would have received for these services to the substitute contractor and you are not entitled to any payments from the customer for those services as they are paid to the substitute. (Franchise Agreement, Section 7.7)

4. We will help you bid and negotiate cleaning service contracts if you request. You pay us the Negotiation Fee for helping you. (Franchise Agreement, Section 5.2.1)

5. We may provide additional personal consultations if we can reasonably accommodate your request to do so. We may periodically introduce new methods and materials through personal consultation, group seminars, and other programs. There are no costs to you for personal consultations and group seminars. We may consult with you on business and operational problems and analyze sales, marketing and financial data. (Franchise Agreement, Section 7.1) We may provide this instruction in any manner we consider appropriate, including mail and telephone.

6. Generally, promote our franchisees through advertising and public relations campaigns. (Section 7.6)

Advertising

Advertising Fund

We currently have no national or regional advertising fund or regional advertising cooperative. We do however, have the right to implement and administer an advertising fund (the "Fund") to solicit Customers for the benefit of the System. If implemented, the Fund will be for the benefit of the System (including the Master Franchisor, our affiliates and any franchises we own). We will have the exclusive right to maintain, operate, and administer the Fund. All our franchisees will contribute the Fund. We will determine the amount of the Advertising Fee, but it will not be more than 1.0% of Gross Billings. Each franchisee's contributions will generally be the same, but we may make temporary or permanent changes based on a particular franchisee's unique situation.

We will use the Fund for national, regional and local advertising programs that may include the use and production of print, on-line Internet advertising and electronic media. We can manage the activities of the Fund directly, and can use the services of advertising and public relations agencies to assist us in these activities.

We may use the contributions to the Fund to meet the costs of conducting local, regional, or national advertising and promotional activities (including advertising campaigns, test marketing, marketing surveys, public-relations activities, developing and producing advertising and marketing materials, in any media, including print and electronic, and developing and operating Web sites) that we consider beneficial to the System. We may charge the Fund fees at reasonable market rates for advertising, marketing, and promotional services we provide.

We have no obligation to make expenditures for you that are equivalent or proportionate to your contributions or to ensure that any franchisee benefits directly or pro rata from advertising or promotion conducted with the contributions. If any money is left in the Fund at the end of the year, the money is spent in the next year.

We will provide you with a summary of the expenditures of the Fund during the previous fiscal year annually on your reasonable request. The Fund's financial statements are not audited.

Your Local Advertising

You are not required to conduct any local advertising. You may not use the Proprietary Marks or any similar names for any advertising or other written promotional materials or on the Internet or other electronic medium, without our prior written consent. You may not register any domain name containing the Proprietary Marks or any similar names to establish, operate, or participate in a Web site on which these words appear.

Computer Systems

We may require you to purchase and use a business management software platform that is web-based. For example, the Master Franchisor owns a proprietary web-based system, called JanHubSM that you may use to manage your Customer information, invoicing, and other business management. To use the business management software platform, you need not purchase or use an electronic cash register or computer system. You will need a device, such as a smart phone, from which you can access the internet.

Location of Your Franchise

You are solely responsible for selecting the site from which you operate your Franchise. Most unit franchisees operate their Franchises from their homes.

Time Between Signing the Franchise Agreement and Opening the Franchise

The typical time between you signing your Franchise Agreement and opening your Franchise is about 45 days, depending on when the initial Certification Program is scheduled and completed and the needs of your Accounts.

Certification Program and Advanced Instruction

We will provide the Certification Program for up to 4 approved people for no charge, but may charge a reasonable fee for additional people that attend the Certification Program. You must pay for all costs your representatives incur in attending the Certification Program, including meals, travel and salary. The Certification Program includes video, classroom, and on-site expert consultation.

You must attend, or cause one of your managerial personnel (satisfactory to us) to attend and successfully complete our Certification Program and any other seminars, sessions, programs, consultations and advanced instructional modules we deem necessary. The current "Advanced Certification Modules" are: Team Cleaning; Medical Certification; Business Management; and Advanced Floor Cleaning and Carpet Cleaning

If we determine that you or your manager have failed to attend or satisfactorily complete the Certification Program or any other instruction, we may, at your expense (including our current standard re-Certification Fee), require you (or your manager) to attend an additional Certification Program, or terminate your Franchise Agreement without further liability to you. We may conduct the initial Certification Program and any other certification when and at locations we reasonably determine. You must attend at those times and locations.

CERTIFICATION PROGRAM

Subject	Hours Of Classroom Instruction	Hours Of On-The-Job Instruction	Location Where Instruction Held
Policies and Procedures	3	0	Existing Office Location
Customer Service	3	0	Existing Office Location
Business Instruction	3	0	Existing Office Location
Technical Procedures Instruction	3	3	Existing Office Locations and Other Instruction Locations
Safety; Franchisee Forms; Test and Review	3	1	Existing Office Location

Your instructional materials for the Certification Program include the Operations Manual and video presentations. Initial certification is conducted at our office and/or one of the customer's offices in the Territory. We schedule the initial Certification Program on an as-needed basis. Instructors have a minimum of 3 months prior instruction and operations experience in the subjects covered above.

ITEM 12 TERRITORY

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets we own, or from other channels of distribution or competitive brands we control. Your Franchise will not be only for specific Accounts. Your Accounts may be located anywhere in our Territory.

The Master Franchisor has granted us the right to grant Unit Franchises to persons who want to independently own and operate businesses that provide janitorial and related services to customers in our Territory. We grant you the right to use the System to operate a Franchise in our Territory.

We will offer you an Initial Plan, which consists of offering you Accounts for customers in our Territory. You may not provide janitorial and related services under the Proprietary Marks outside of our Territory. We grant you the nonexclusive right to use *Jan-Pro*® and the other Proprietary Marks. We reserve, among other things, the right to use and grant others the right to use the Proprietary Marks.

Your Franchise Agreement does not grant you any options, rights of first refusal, or similar rights to get additional Franchises.


You may not use other channels of distribution, such as the Internet, telemarketing, or other direct marketing, to make sales outside of the Territory under the Proprietary Marks.

Neither we nor the Master Franchisor or any of our respective affiliates operates, franchises, or has plans to operate or franchise a business under a different trademark and that sells or will sell goods or services similar to those that you will offer.


ITEM 13 TRADEMARKS

We grant you the right to operate your Unit Franchise under the names “JAN-PRO”, “JAN-PRO CLEANING SYSTEMS” and “JAN-PRO CLEANING SYSTEMS MEASURABLE CLEANING. GUARANTEED RESULTS.”

The Master Franchisor has registered the following Proprietary Marks on the United States Patent and Trademark Office (“USPTO”) principal register:

Mark	Registration Number	Registration Date
JAN-PRO	1,791,912	September 7, 1993
JAN-PRO TRACKER	3,336,856	November 13, 2007
JAN-PRO SIGNATURE CLEAN	3,345,781	November 27, 2007
JAN-PRO TECHNICS	3,353,962	December 11, 2007
JAN-PRO CLEANING SYSTEMS MEASURABLE CLEANING. GUARANTEED RESULTS	3529952	November 11, 2008
ENVIROSHIELD	3,902,223	January 4, 2011
	5,616,505	November 27, 2018
MedMetrix	4,529,294	May 13, 2014

The Master Franchisor has also applied to register the following trademarks on the Principal Register at the USPTO:

Mark	Serial Number	Filing Date	Status
	90/165,628	September 8, 2020	Pending

The Master Franchisor does not have a federal registration for the Proprietary Mark above (serial number 90/165,628). This Proprietary Mark does not have the same legal benefits and rights as federally registered trademarks. If our right to use these Marks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

All required affidavits and renewals have been filed. There are no effective determinations of the USPTO, the Trademark Trial and Appeal Board, or the trademark administrator of any state or any court. There are no pending interference, opposition or cancellation proceedings, nor any pending material litigation involving the Proprietary Marks. There are no decided infringement, cancellation or opposition proceedings in which the Master Franchisor unsuccessfully fought to prevent registration of a trademark to protect the Proprietary Marks.

Agreements

You get the right to use the Proprietary Marks from us under your Franchise Agreement. We get the right to use, and to give you the right to use, the Proprietary Marks under our Regional Master Franchise Agreement with the Master Franchisor. The effective date of our Regional Master Franchise Agreement on May 7, 2020. The Regional Master Franchise Agreement has an initial 15-year term and two 15-year renewal terms or perpetual 10 year renewal terms. The Master Franchisor cannot terminate the Regional Master Franchise Agreement unless we default. If our Regional Master Franchise Agreement is terminated, the Master Franchisor has the right, but not the obligation, to assume our unit franchise agreements and any customer agreements. The Franchise Agreement does not provide a right to terminate if our Regional Master Franchise Agreement is terminated. Other than our Regional Master Franchise Agreement, there are no agreements that significantly limit our right to use or license the use of the Proprietary Marks in a manner material to you.

Protection of Rights

You must immediately tell us if you think anyone is using the Proprietary Marks without our permission. You also must immediately tell us if anyone tells you that you or we do not have the right to use the Proprietary Marks. We and the Master Franchisor will determine what action, if any, we or the Master Franchisor will take against the unauthorized user or challenger. If we determine that you have used the Proprietary Marks in accordance with your Franchise Agreement and have complied with your obligations under your Franchise Agreement, we will pay to defend you, including the cost of any judgment or settlement. If we determine that you have not used the Proprietary Marks in accordance with your Franchise Agreement, or have not otherwise complied with your obligations, such as using the Proprietary Marks to service Customers outside of your Franchise Agreement, you must pay for your own defense, including the cost of any judgment or settlement.

If any litigation arises from your use of the Proprietary Marks, you must sign all documents and perform all acts we believe necessary to conduct a defense, including becoming a party to any litigation. Except to the extent that the litigation results from your use of the Proprietary Marks in breach of your Franchise Agreement, we will reimburse you for your out-of-pocket costs to perform these acts.

If, at any time, we believe that you should modify or discontinue the use of any of the Proprietary Marks or use one or more additional or substitute names or marks—for reasons including the rejection of any pending application for registration or revocation of any existing registration of any of the Proprietary Marks, or the superior rights of senior users—you must do so at your sole expense within 30 days after our request.

Superior Rights and Infringing Uses

Neither we nor the Master Franchisor has actual knowledge of superior prior rights or infringing uses that could materially affect your use of the Proprietary Marks in our Territory.

ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION.

Patents

No patents are material to the franchise.

Copyrights

Various certification, certification, management and other materials that the Master Franchisor has created are and will be protected under the U.S. Copyright Act, whether or not the Master Franchisor has filed for registrations. You may use these copyrighted materials during the term of your Franchise Agreement, in a manner consistent with the Master Franchisor's ownership rights, solely to operate your Franchise.

There are no pending copyright applications for the Master Franchisor's copyrighted materials. There are no effective determinations of the U.S. Copyright Office (Library of Congress) or any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation, involving the copyrighted materials that relate to their use by our franchisees.

All of the provisions in Item 13 under the headings "Agreements" and "Protection of Rights" also apply to copyrights.

We do not know of any superior rights in or any infringing uses of the Master Franchisor's copyrighted materials that could materially affect your use of the copyrighted materials in our Territory.

Proprietary Information

We have a proprietary, copyrighted Operations Manual we received from the Master Franchisor, and copyrighted materials that include guidelines, standards and policies for the operation of your business. Item 11 describes the Operations Manual and the manner in which you may use it. All documents provided to you, including the Operations Manual, are for your exclusive use during the term of your Franchise, and may not be reproduced, lent or shown to any person outside the Jan-Pro system.

You must promptly tell us when you learn about unauthorized use of our or the Master Franchisor's proprietary or confidential information. We are not obligated to take any action but will respond to this use as we think appropriate. We will not indemnify you for losses brought by a third party for your use of this information.

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

We require that you have at least one person actively involved in the management of the Franchise, who may be the owner of an entity-franchisee or a manager you have selected (or who has been selected by the owners of an entity-franchisee). Your manager must have completed the Certification Program and other required programs to our satisfaction.

Your Manager and managerial employees must sign our form of confidentiality and non-competition agreement.

**ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You must offer for sale all approved services and products for which you have been certified and for which you have all necessary equipment. You must not deviate from our specifications for the approved services and products without our written consent; and must discontinue offering any services or products we disapprove in writing. We may change the services and products we approve or authorize. There are no limits on our right to make these changes.

**ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION
THE FRANCHISE RELATIONSHIP**

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

Provision	Section In Franchise Or Other Agreement	Summary
a. Length of the franchise term	Section 2.1	10 years
b. Renewal or extension of the term	Section 2.2	You may renew your Franchise for 2 additional 5-year periods if you satisfy the conditions in the Franchise Agreement.
c. Requirements for you to renew or extend	Section 2.2	You must satisfy all the following conditions: You notify us of your intention to renew at least 6 months (and not more than 12 months) before expiration;

Provision	Section In Franchise Or Other Agreement	Summary
		<p>You have complied with your obligations under the Franchise Agreement or resolved any breaches to our satisfaction;</p> <p>You pay us everything you owe us;</p> <p>You sign our then-current form of Franchise Agreement;</p> <p>You comply with our then-current qualification and instructional requirements;</p> <p>You pay us a Renewal Fee; and</p> <p>You sign a general release.</p>
d. Termination by you	None	
e. Termination by us without cause	None	
f. Termination by us with cause	Article 15	We can terminate your Franchise only if you default under your Franchise Agreement.
g. "Cause" defined--curable defaults	Sections 15.2 and 15.3	You have 30 days after notice to cure all defaults in Section 15.3 of the Franchise Agreement. Some of the defaults in Section 15.2 are curable. For example, you have 10 days after delivery of a Notice of Default to cure monetary defaults.
h. "Cause" defined - non curable defaults	Sections 15.1 and 15.2	Non-curable defaults include: bankruptcy, insolvency, appointment of a receiver, and any other defaults in Section 15.1. Some of the defaults in Section 15.2 cannot be cured, such as breaching the confidentiality and non-competition covenants, misusing the Proprietary Marks and transferring your rights in the Franchise Agreement without our consent.
i. Your obligations on termination / nonrenewal	Article 16	You must stop operations and use of the Proprietary Marks and intellectual property; return customer keys; pay amounts due us; and return loaned materials and Confidential Information.
j. Assignment of contract by us	Section 18.1	No restrictions on our right to assign.

Provision	Section In Franchise Or Other Agreement	Summary
k. "Transfer" by you-defined	Sections 18.2 and 18.4	<p>A transfer includes selling, assigning, conveying, or otherwise disposing of—voluntarily, involuntarily, directly or indirectly, by operation of law or otherwise—your Franchise Agreement or any direct or indirect interest in the Franchise Agreement.</p> <p>A transfer of 25% or more of voting or ownership interests—individually or in total, directly or indirectly—is considered a transfer of an interest in your Franchise Agreement, so is a transfer of all or substantially all your assets used to operate your Franchise.</p>
l. Our approval of your transfer	Section 18.2	You may not transfer without our consent.

Provision	Section In Franchise Or Other Agreement	Summary
m. Conditions for our approval of transfer	Section 18.4	<p>You pay us everything you owe us;</p> <p>You are not in default of your Franchise Agreement or any other agreement;</p> <p>You sign a general release of all claims against us and the Master Franchisor;</p> <p>The transferee enters an assumption agreement, in form and substance satisfactory to us, under which it assumes all of your obligations; or, if we request, the transferee signs our new form of Franchise Agreement;</p> <p>If the transferee is an entity, its owners must sign our current standard form of personal guaranty;</p> <p>You pay us a transfer fee;</p> <p>The transferee demonstrates that it has the business and personal skills, reputation, and financial capacity we require;</p> <p>The transferee satisfactorily completes our application procedures for new franchisees;</p> <p>The transferee demonstrates that it has properly assumed, and will be able to comply with, all of its obligations;</p> <p>At the transferee's expense (including our then-current Certification Fee), the transferee (or its owners if it is an entity) completes the Certification Program;</p> <p>We are reasonably satisfied that the proposed sale terms do not materially impair transferee's ability to assume and carry out its obligations; and</p> <p>You and the transferee timely satisfy any other conditions we reasonably impose.</p>
n. Our right of first refusal to acquire your business	None	None
o. Our option to purchase your business	None	None

Provision	Section In Franchise Or Other Agreement	Summary
p. Your death or disability	Sections 18.5 and 18.6	If a Covered Owner dies, or is disabled from any cause and, as a result, for a continuous period of more than 3 months, is unable to perform his or her duties under the Franchise Agreement; then within 30 days, you (or your legal representative) must hire and maintain a replacement satisfactory to us to perform your obligations. Within 6 months of the death or permanent disability of any Covered Owner, that individual's estate or his or her representative must transfer his or her interests in the unit franchisee (or in any of the franchisee's owners) or in the Franchise Agreement. No transfer fee is due in this case. A "Covered Owner" is the franchisee if the unit franchisee is an individual, or anyone who is an owner of the franchisee if the franchisee is an entity.
q. Non-competition covenants during the term of the franchise	Section 17.1	You may not solicit or influence any of your customers (or customers serviced in the previous 12 months) to stop being serviced in that capacity or to be serviced by you or any third party in any other manner.
r. Non-competition covenants after the franchise is terminated or expires	Section 17.1	The obligation stated in (q) above also applies for the 12-months after the expiration or termination of your Franchise Agreement.
s. Modification of the agreement	Article 12 and Section 22.3	Your Franchise Agreement may not be modified without your and our consent, except: 1. We may change the contents of the Manuals; 2. We may modify the System; and 3. A court or arbitrator may modify a provision of the Franchise Agreement under applicable law.

Provision	Section In Franchise Or Other Agreement	Summary
t. Integration/merger clause	Section 22.17	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Article 20	Many disputes must be mediated or arbitrated in the county in which our principal office is then located.
v. Choice of forum	Section 22.10	Subject to mediation and arbitration requirements, litigation must be brought in state or federal court in the state and county where our principal office is then located.
w. Choice of law	Section 22.14	Except to the extent the Lanham Act or Federal Arbitration Act governs, the laws of the state where our principal office is located when you sign your Franchise Agreement.

Some states may have laws or court decisions that may supersede the Franchise Agreement concerning your relationship with us including the areas of termination and renewal. A provision in your franchise agreement that terminates the franchise on your bankruptcy may not be enforceable under Title 11, United States Code Section 101 *et seq.*

ITEM 18 PUBLIC FIGURES

We use no public figure to promote our Franchise, but may do so in the future.

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

Your Initial Franchise Fee is based on the Initial Plan you want. The Initial Plan comprises our offering a stated volume of Accounts for customers in our Territory. These accounts are estimated to generate a stated amount of Account Gross Billings. For example, a FP-17 Initial Plan means \$17,000 in yearly Account Gross Billings.

The Account Gross Billings you want for your Franchise should not, however, be considered as the actual income or profit you will realize. We do not represent, warrant, or guaranty that any Accounts will be profitable, or that the Account Gross Billings that Accounts are initially estimated or represented below to generate, will be the actual Gross Billings you realize from those Accounts. The yearly Account Gross Billings you actually achieve are affected by many factors such as: the Account Gross Billings being offered in installments during the stated time period; your rejecting, stopping service to or losing an Account; and the interval of time before any required replacement Account is offered. The quality of the services you perform and the efficiency with which you perform them also will affect your actual Account Gross Billings.

We reviewed our compliance with Franchise Agreements on the amount, timeliness, and refund requirements for Account Gross Billings offered to our unit franchisees. We reviewed all Franchise sales made during our last completed fiscal year, and determined whether, as of our last fiscal year end, Account Gross Billings had been offered in compliance with the Franchise Agreement.

During our fiscal year ending December 31, 2020, we sold 7 unit franchises. Of those sold, as of the close of the fiscal year: (a) unit franchisees either had their Initial Plans timely filled or had accepted our performance in 7 cases; (b) we and the unit franchisee made a mutually acceptable adjustment to the Initial Plans, such as by our recalculation of the Initial Franchise Fee or an extension of time to offer Accounts or replacement Accounts, in 0 cases; (c) the time for us to offer Accounts under Initial Plans had not expired in 0 cases; (d) we did not fulfill our obligations to fulfill the Initial Plans in 0 cases; and (e) our obligations to fulfill the Initial Plans terminated in 0 cases because the Franchise Agreement was terminated.

Therefore, we complied with the amount, timeliness, and account substitution requirements for Account Gross Billings offered to our unit franchisees in 100% of the cases. Substantiation of the data used in preparing these statistics will be provided on request.

Other than this financial performance representation, we make no financial performance representations. We also do not authorize our employees or representatives to make any other representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, report it to our management by contacting Travis Williams, 477 Connecticut Blvd. Ste. 209, East Hartford, CT 06108, 860-586-2327, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20
OUTLETS AND FRANCHISEE INFORMATION**

Outlet Statistics for Our Unit Franchisees in the Territory

Table 1 Systemwide Outlet Summary For Years 2018 To 2020				
Outlet Type	Year	Outlets At The Start Of The Year	Outlets At The End Of The Year	Net Change
Franchised	2018	80	76	-4
	2019	76	75	-1
	2020	75	70	-5
Company-Owned	2018	0	0	0
	2019	0	0	0
	2020	0	1	+1
Total Outlets	2018	80	76	-4
	2019	76	75	-1
	2020	75	71	-4

Table 2 Transfer Of Outlets From Unit Franchisees To New Owners (Other Than Us) For The Years 2018 To 2020		
State	Year	Number Of Transfers
CT	2018	1
	2019	0
	2020	0
Total Outlets	2018	1
	2019	0
	2020	0

Table 3
Status Of Unit Franchise Outlets
For Years 2018 To 2020

State	Year	Outlets At Start Of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operations- Other Reasons	Outlets At End Of Year
CT	2018	81	0	5	0	0	0	76
	2019	76	1	2	0	0	0	75
	2020	75	0	5	0	0	0	70
Total	2018	81	0	5	0	0	0	76
	2019	76	1	2	0	0	0	75
	2020	75	0	5	0	0	0	70

Table 4
Status Of Company-Owned Outlets
For Years 2018 To 2020

State	Year	Outlets At Start Of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold To Franchisees	Outlets At End Of Year
CT	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1
Total	2018	1	0	0	0	0	0
	2019	1	0	0	0	0	0
	2020	1	0	0	0	0	0

Table 5 Projected Openings As Of December 31, 2020			
State	Franchise Agreements Signed But Outlets Not Opened⁴	Projected New Franchised Outlets In The Next Fiscal Year	Projected New Company-Owned Outlets In The Next Fiscal Year
CT	0	10	0
Total			

A list of the names, addresses and telephone numbers of our current franchisees is attached as Exhibit D.

A list of the names, addresses and telephone numbers of our 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 who have not communicated with us within 10 weeks of the issuance date of this franchise disclosure document, is attached as Exhibit E.

If you buy the Franchise offered in this disclosure document, your contact information may be disclosed to other buyers when you leave the System.

Confidentiality Clauses

As a standard practice, when we enter into a Termination and Release Agreement with a former franchisee, we require the former franchisee to maintain all information that the former franchisee has about us confidential. We have not entered into these Termination and Release Agreements (including the confidentiality clause) within the past 3 years.

Sometimes, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees, but know that not all franchisees can communicate with you.

Trademark-Specific Franchisee Organizations

There are no trademark-specific unit-franchisee organizations.

⁴ This column represents the number of unit franchise agreements signed in the previous year when the Unit Franchisee has not yet started servicing its Accounts.

Unit Franchises In The United States⁵

Table No. 1 System Wide Outlet Summary For Years 2018 To 2020				
Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2018	6913	7210	+297
	2019	7210	7613	+403
	2020	7613	8211	+598
Company-Owned*	2018	0	0	0
	2019	0	0	0
	2020	0	0	0
Total Outlets	2018	6913	7210	+297
	2019	7210	7613	+403
	2020	7613	8211	+598

Table No. 2 Transfers Of Outlets From Franchisees To New Owners (Other Than The Franchisor) For Years 2018 to 2020		
State	Year	Number of Transfers
Arizona	2018	0
	2019	0
	2020	3
Arkansas	2018	1
	2019	0
	2020	0
California	2018	16
	2019	18
	2020	13

⁵ “The following tables are based on the most currently available information provided by our regional master franchisees as of February 2021.”

**Table No. 2
Transfers Of Outlets From Franchisees To New Owners (Other Than The Franchisor)
For Years 2018 to 2020**

State	Year	Number of Transfers
Colorado	2018	0
	2019	1
	2020	0
Connecticut	2018	1
	2019	0
	2020	4
Florida	2018	16
	2019	11
	2020	7
Georgia	2018	2
	2019	2
	2020	1
Illinois	2018	2
	2019	1
	2020	3
Indiana	2018	0
	2019	1
	2020	0
Kansas	2018	0
	2019	0
	2020	1
Louisiana	2018	5
	2019	1
	2020	4
Massachusetts	2018	1
	2019	0
	2020	0

**Table No. 2
Transfers Of Outlets From Franchisees To New Owners (Other Than The Franchisor)
For Years 2018 to 2020**

State	Year	Number of Transfers
Michigan	2018	0
	2019	1
	2020	1
Minnesota	2018	1
	2017	2
	2018	4
Missouri	2018	0
	2019	1
	2020	3
Nebraska	2018	0
	2019	0
	2020	1
Nevada	2018	7
	2019	4
	2020	5
New Jersey	2018	10
	2019	9
	2020	12
New York	2018	2
	2019	5
	2020	2
Ohio	2018	0
	2019	1
	2020	1
Oklahoma	2018	2
	2019	0
	2020	2

**Table No. 2
Transfers Of Outlets From Franchisees To New Owners (Other Than The Franchisor)
For Years 2018 to 2020**

State	Year	Number of Transfers
Oregon	2018	6
	2019	4
	2020	5
Pennsylvania	2018	2
	2019	1
	2020	4
South Carolina	2018	0
	2019	1
	2020	3
Tennessee	2018	95
	2019	101
	2020	72
Texas	2018	1
	2019	2
	2020	2
Utah	2018	1
	2019	0
	2020	1
Virginia	2018	1
	2019	2
	2020	0
Washington	2018	0
	2019	1
	2020	3
Wisconsin	2018	0
	2019	0
	2020	2

Table No. 2
Transfers Of Outlets From Franchisees To New Owners (Other Than The Franchisor)
For Years 2018 to 2020

State	Year	Number of Transfers
TOTALS	2018	172
	2019	170
	2020	159

Table No. 3
Status Of Franchised Outlets
For Years 2018 to 2020

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Alabama	2018	53	19	0	1	0	7	64
	2019	64	15	0	2	0	4	73
	2020	73	22	0	8	0	0	87
Arizona	2018	198	24	21	0	0	13	188
	2019	188	25	22	0	1	8	182
	2020	182	22	19	0	2	5	178
Arkansas	2018	54	5	0	0	0	3	56
	2019	56	21	0	0	0	4	73
	2020	73	19	0	0	0	7	85
California	2018	718	74	38	2	0	21	731
	2019	731	81	9	1	0	1	801
	2020	801	26	24	1	12	42	748
Colorado	2018	287	19	0	0	0	37	269
	2019	269	25	0	2	0	44	248
	2020	248	31	0	0	0	62	217
Connecticut	2018	227	7	14	5	0	0	215
	2019	215	1	2	0	0	80	134
	2020	134	11	1	0	0	0	144

**Table No. 3
Status Of Franchised Outlets
For Years 2018 to 2020**

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Delaware	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	3	0	0	0	0	3
District of Columbia	2018	20	5	0	0	0	3	22
	2019	22	2	0	0	0	0	24
	2020	24	3	0	0	0	1	26
Florida	2018	555	134	19	3	24	39	604
	2019	604	175	3	5	24	41	706
	2020	706	168	17	0	19	15	823
Georgia	2018	460	144	19	6	0	65	514
	2019	514	144	30	10	70	70	478
	2020	478	189	1	10	1	115	540
Idaho	2018	4	2	0	0	0	0	6
	2019	6	5	0	0	0	1	10
	2020	10	4	0	0	0	1	13
Illinois	2018	175	33	40	4	0	2	162
	2019	162	41	22	2	0	2	177
	2020	177	42	10	1	0	0	208
Indiana	2018	78	11	5	0	1	9	74
	2019	74	22	9	3	0	7	77
	2020	77	29	3	1	0	7	95
Kansas	2018	26	6	0	0	0	0	32
	2019	32	7	4	0	0	4	31
	2020	31	9	0	0	0	0	40
Kentucky	2018	35	12	0	0	0	4	43
	2019	43	9	0	0	0	3	49
	2020	49	12	3	0	0	2	56

**Table No. 3
Status Of Franchised Outlets
For Years 2018 to 2020**

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
Louisiana	2018	99	64	33	0	0	0	130
	2019	130	67	26	0	0	0	171
	2020	171	74	50	0	0	0	195
Maryland	2018	137	11	2	0	0	10	136
	2019	136	14	0	0	0	76	74
	2020	74	21	0	0	0	18	77
Massachusetts	2018	81	4	0	0	0	2	83
	2019	83	4	1	0	0	19	67
	2020	67	24	0	0	0	0	91
Michigan	2018	44	35	10	0	0	0	69
	2019	69	52	8	0	0	0	113
	2020	113	75	3	0	0	0	185
Minnesota	2018	152	34	0	3	0	24	159
	2019	159	54	0	1	0	25	187
	2020	187	21	1	0	0	23	184
Mississippi	2018	56	9	2	0	0	3	60
	2019	60	29	4	0	0	3	82
	2020	82	21	1	0	0	1	101
Missouri	2018	121	36	1	0	0	1	155
	2019	155	48	3	2	0	21	177
	2020	177	37	14	2	0	19	179
Nebraska	2018	25	6	10	0	0	0	21
	2019	21	10	6	0	0	0	25
	2020	25	5	6	0	0	0	24
Nevada	2018	123	17	12	1	0	0	127
	2019	127	13	6	2	0	0	132
	2020	132	18	4	3	0	0	143

**Table No. 3
Status Of Franchised Outlets
For Years 2018 to 2020**

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
New Hampshire	2018	0	0	0	0	0	0	0
	2019	0	6	0	0	1	0	5
	2020	5	4	0	0	0	0	9
New Jersey	2018	286	52	1	1	0	25	311
	2019	311	59	3	1	0	31	335
	2020	335	66	2	1	30	30	338
New York	2018	242	67	7	0	0	10	292
	2019	292	60	7	0	0	24	321
	2020	321	51	8	0	0	16	348
North Carolina	2018	469	58	19	22	0	39	447
	2019	447	81	16	18	0	15	479
	2020	479	73	11	24	0	26	491
Ohio	2018	304	87	51	1	0	38	301
	2019	301	97	36	3	0	34	325
	2020	325	114	45	1	0	16	377
Oklahoma	2018	151	26	9	0	0	27	141
	2019	141	25	2	0	0	30	134
	2020	134	27	2	0	2	24	133
Oregon	2018	136	38	17	0	0	14	143
	2019	143	28	23	0	0	0	148
	2020	148	18	14	0	0	0	152
Pennsylvania	2018	266	32	33	0	0	7	258
	2019	258	58	7	3	0	32	274
	2020	274	88	1	3	0	42	316
Rhode Island	2018	22	8	0	0	0	2	28
	2019	28	6	3	0	0	0	31
	2020	31	2	0	0	0	6	27

**Table No. 3
Status Of Franchised Outlets
For Years 2018 to 2020**

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
South Carolina	2018	224	34	19	0	0	6	233
	2019	233	30	36	2	0	0	225
	2020	225	57	15	8	0	15	244
Tennessee	2018	229	55	5	1	0	17	261
	2019	261	48	20	1	0	22	266
	2020	266	67	16	1	0	38	278
Texas	2018	243	94	23	14	0	5	295
	2019	295	85	9	8	3	6	354
	2020	354	81	16	7	5	13	394
Utah	2018	61	4	0	0	0	4	61
	2019	61	13	1	0	2	8	63
	2020	63	17	0	0	0	5	75
Virginia	2018	261	36	3	0	0	72	222
	2019	222	33	2	0	0	28	225
	2020	225	31	4	0	0	29	223
Washington	2018	194	21	7	3	0	18	187
	2019	187	35	1	5	0	17	199
	2020	199	27	22	3	0	9	192
Wisconsin	2018	97	21	0	0	0	8	110
	2019	110	35	1	0	0	6	138
	2020	138	50	5	0	3	8	172
TOTAL	2018	6913	1344	420	67	25	535	7210
	2019	7210	1563	322	71	101	666	7613
	2020	7613	1659	318	74	74	595	8211

**Table No. 4
Status Of Company-Owned Outlets
For Years 2018 to 2020**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
TOTAL	2018	0	0	0	0	0	0
	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0

**Table No. 5
Projected Openings As Of December 31, 2020**

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company Owned Outlets in the Current Fiscal Year
Alabama	0	0	0
Arizona	0	18	0
Arkansas	0	0	0
California	0	40	0
Colorado	7	40	0
Connecticut	2	24	0
Delaware	0	6	0
District of Columbia	0	0	0
Florida	7	162	0
Georgia	7	92	0
Hawaii	0	0	0
Idaho	0	3	0
Illinois	30	50	0
Indiana	6	12	0
Iowa	0	0	0
Kansas	1	7	0

**Table No. 5
Projected Openings As Of December 31, 2020**

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company Owned Outlets in the Current Fiscal Year
Kentucky	1	12	0
Louisiana	2	40	0
Maine	0	0	0
Maryland	0	0	0
Massachusetts	0	12	0
Michigan	24	110	0
Minnesota	5	30	0
Mississippi	0	24	0
Missouri	2	33	0
Montana	0	0	0
Nebraska	0	15	0
Nevada	0	22	0
New Hampshire	0	20	0
New Jersey	0	75	0
New Mexico	0	0	0
New York	1	62	0
North Carolina	19	72	0
North Dakota	0	0	0
Ohio	34	95	0
Oklahoma	0	10	0
Oregon	0	25	0
Pennsylvania	4	50	0
Puerto Rico	0	0	0
Rhode Island	0	4	0
South Carolina	2	65	0
South Dakota	0	0	0
Tennessee	1	95	0

**Table No. 5
Projected Openings As Of December 31, 2020**

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company Owned Outlets in the Current Fiscal Year
Texas	14	88	0
Utah	0	15	0
Vermont	0	0	0
Virginia	2	18	0
Washington	0	22	0
West Virginia	0	0	0
Wisconsin	2	30	0
Wyoming	0	0	0
TOTAL	173	1498	0

**ITEM 21
FINANCIAL STATEMENTS**

Attached to this disclosure document as Exhibit C are our audited financial statements for our fiscal year ending December 31, 2020. We have not been in business for 3 years or more and therefore cannot include all financial statements required in paragraphs (u)(i)(i) and (ii) of the FTC Franchise Rule.

Also attached as Exhibit C are the Master Franchisor’s audited financial statements for the Master Franchisor’s fiscal years ending September 30, 2018, September 30, 2019 and September 30, 2020.

**ITEM 22
CONTRACTS**

The Franchise Agreement is attached to this disclosure document as Exhibit A. The Franchise Agreement includes the following exhibits:

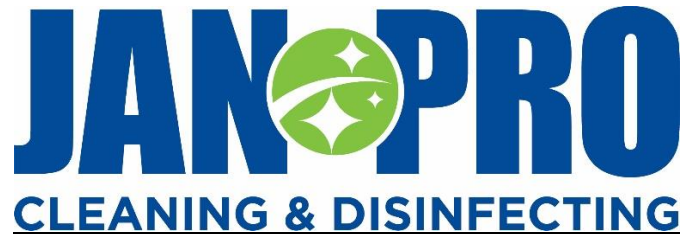
- Exhibit A Promissory Note
- Exhibit B Guaranty
- Exhibit C Independent Contractor Acknowledgment

ITEM 23 RECEIPTS

The last 2 pages of this disclosure document (following the exhibits and attachments) is a document for you to acknowledge only that you received a copy of this disclosure document (one copy for you and one to be signed and returned to us).

Exhibit A to the Franchise Disclosure Document

FRANCHISE AGREEMENT



UNIT FRANCHISE AGREEMENT

with

[INSERT FRANCHISEE'S NAME]

Date: _____

Territory: Southern Connecticut

SUMMARY PAGE

- 1. Effective Date: _____
- 2. Franchisee's Name: _____
- 3. Franchisee's Type of Entity (sole proprietor, corporation, limited liability company) and State of Organization or residency: _____

4. Ownership of Franchisee:

If Franchisee is an Entity, the following persons are all of the owners of a legal and/or beneficial interest in Franchisee:

<u>Name</u>	<u>Percentage Ownership</u>
_____	_____
_____	_____

5. Territory (See Section 1.1):

_____ [Insert your protected territory from your Regional Franchise Development Agreement]

6. Initial Plan (See Section 1.2). We must offer you Initial Plan Accounts estimated to generate \$_____ of annual Account Gross Billings. Account Gross Billings must be offered to you within _____ business days after the Start Date. This is called your "Initial Plan." [You must calculate the number of business days as follows and insert that number above - 120 business days for an Initial Plan up to \$35,000 of Account Gross Billings; or 120 business days for an Initial Plan exceeding \$35,000 of Account Gross Billings **plus** 30 business days for each \$15,000 increment over \$35,000 (or portion of a \$15,000 increment over \$35,000) that is above \$35,000 of Account Gross Billings.]

7. Initial Franchise Fee (See Section 3.1): The Initial Franchise Fee is \$____. You will pay \$_____ by certified or cashier's check; and \$_____ under the terms of the attached Promissory Note.

8. Business Protection Program (See Section 14.4). You elect to participate in the Business Protection Program. The current cost of this insurance is \$____. We may raise this cost to cover increased costs in premiums or in administering the Program. We may discontinue this program on prior written notice to you. [If you do not offer the Business Protection Program, delete this section entirely and renumber the items below.]

9. Advance Assurance Fee (See Section 7.5). You elect to participate in the Advance Assurance Program. You will pay an additional fee of 2% of monthly Gross Billings for the Term or until we discontinue the Advance Assurance program. [If you do not offer the Advance Assurance Program, delete this section entirely and renumber the item below.]

10. Addresses for Notices (See Section 22.5):

Ours:

A&T Franchise Development LLC
dba Jan Pro of Southern Connecticut
845 Foxon Road
East Haven, CT 06513

Yours:

Initials: _____ (Us)

Initials: _____ (You)

TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
1. GRANT OF FRANCHISE	73
2. INITIAL AND RENEWAL TERMS	75
3. INITIAL FRANCHISE FEE	75
4. ADDITIONAL CUSTOMER ACCOUNTS	76
5. CONTINUING FEES	77
6. SECURITY AGREEMENT	798
7. OUR BUSINESS AND MANAGEMENT SERVICES.....	79
8. OPERATING STANDARDS.....	81
9. CUSTOMER SERVICE STANDARDS	83
10. ACCOUNTING AND RECORDS.....	83
11. PROPRIETARY MARKS.....	84
12. OPERATION MANUALS AND OTHER CONFIDENTIAL INFORMATION.....	85
13. BRAND STANDARDS AUDITS.....	86
14. INSURANCE	86
15. DEFAULT AND TERMINATION.....	87
16. OBLIGATIONS ON EXPIRATION OR TERMINATION	89
17. NONCOMPETITION	90
18. TRANSFER OF INTEREST	91
19. INDEPENDENT BUSINESS OWNER AND INDEMNIFICATION	93
20. MEDIATION, ARBITRATION, AND EQUITABLE RELIEF	94
21. ACKNOWLEDGMENTS AND REPRESENTATIONS	96
22. GENERAL PROVISIONS	96

EXHIBITS:

Exhibit A	Promissory Note
Exhibit B	Guaranty
Exhibit C	Independent Contractor Acknowledgment

UNIT FRANCHISE AGREEMENT

This Unit Franchise Agreement (the “Agreement”) is made as of the Effective Date between **A&T Franchise Development LLC dba Jan Pro of Southern Connecticut**, a Connecticut Limited Liability Company (“we,” “us” or “our”), and the person or corporation, partnership or limited liability company (an “Entity”) identified on the Summary Page as Franchisee (“you” or “your”).

A. We are the Regional Franchise Developer under a REGIONAL FRANCHISE DEVELOPMENT AGREEMENT with Jan-Pro Franchising International, Inc. (the “JPI”) within the Territory.

B. We grant and support unit franchises for independent businesses that offer janitorial and related services (the “Franchise”) under the JAN-PRO Cleaning & Disinfecting system of specifications and operating procedures (the “System”), and the service mark JAN-PRO Cleaning & Disinfecting® (the “Marks”). The System does not include any employment policies, procedures, or samples that we make available for your optional use.

C. You want to buy a Franchise from us to operate your business under the System and the Marks.

D. We accept you as a franchisee under the terms of this Agreement.

You and we agree:

1. GRANT OF FRANCHISE

1.1. We grant you a Franchise to use the System and the Marks under the terms of this Agreement. Your Franchise will provide janitorial and related services for one or more customer accounts (“Accounts”) in the Territory. Accounts include Additional Accounts as defined in Section 4.1, Supplemental Accounts as defined in Section 5.1.1, and Negotiated Contracts as defined in Section 5.2.1. You agree to operate your Franchise under this Agreement. You agree that you will not perform janitorial and related services under the Marks either outside of the Territory or outside of this Franchise Agreement.

1.2. For your Initial Plan, you have contracted with us for the purchase of one or more Accounts for customers in the Territory (“Initial Plan Accounts”) that are estimated to generate the Account Gross Billings that are stated on the Summary Page. We will offer these Initial Plan Accounts within the number of business days stated on the Summary Page after the Start Date to fulfill your purchase of Accounts as part of your Initial Plan.

1.2.1. “Account Gross Billings” are the total estimated annual service revenues from any Account or Accounts we offer to you.

1.2.2. The “Start Date” is the date on which you have: (a) obtained all licenses and permits required by law to operate your Franchise; (b) obtained your initial equipment and supplies; (c) obtained the required insurance (described in Article 14); (d) successfully completed our Certification Program (defined in Section 7.1); (e) created a business entity as required by this Agreement; (f) assigned this Agreement to that business entity (and each owner of the business entity has signed the Guaranty agreement); and (g) fulfilled any other reasonable conditions that we require. We will not offer you Accounts until you complete these items.

1.2.3. We may extend the time within which we must offer the Initial Plan if:

- 1.2.3.1. any of your Accounts cancels because of your Misconduct (defined below). We may require you to prove that you understand the brand standards which are set forth in the System's procedures and requirements, either by completing our workshop or by other reasonable means. In this case, the time for us to offer the Initial Plan is extended until you prove your understanding to our satisfaction.
- 1.2.3.2. you default under any term of this Agreement or any other agreement with us. In this case, the time for us to offer the Initial Plan is extended until you cure your defaults to our reasonable satisfaction.

"Misconduct" means any conduct by you or your employees or contractors resulting in faulty workmanship, fraud, theft, dishonesty, providing services in a manner reasonably unsatisfactory to one or more of your customers, engaging in unlawful activity on a customer's premises, bringing non-employees (or non-contractors) onto your Customers' premises (such as children), or otherwise defaulting under this Agreement or the service contract with your customer.

We do not represent or guaranty that any Accounts will be profitable or that the Account Gross Billings initially estimated will be the actual Gross Billings you get. You agree that the profitability of your Franchise depends on many factors, such as the efficiency and skill of your work force and your business ability to manage your expenses and day-to-day operations.

- 1.3. When you accept an Account, you own that Account. Your Accounts remain your property unless transferred as provided in this Agreement or by operation of the terms of the Account contract. You may review each Account offered and choose whether you want that Account. You may reject any Account or stop servicing any Account. If you reject an Account offered under your Initial Plan, or stop servicing an Account offered under your Initial Plan because the customer does not pay, we will replace the value of that Account, but not necessarily within the original time period under your Initial Plan. In this case, we will replace the value of that Account within a reasonable time.
- 1.4. If, within the first year after you accept an Account, the Account is terminated for other than your documented Misconduct, or if you stop servicing a customer because the customer does not pay (a "Terminated Account"), we will not refund the Initial Franchise Fee you paid, but we will, within a reasonable time, offer a replacement Account(s) as follows:
 - 1.4.1. We can offer replacement Accounts that are equal to, or more than, the full Account Gross Billings of the Terminated Account. In this case, our replacement obligation ends at 12 months from *the Terminated Account's Start Date*; or
 - 1.4.2. We can offer replacement Accounts that are equal to, or more than, the remaining Account Gross Billings of the Terminated Account. In this case, our replacement obligation ends 12 months from the *replacement Account Start Date*. If an Initial Plan Account has Account Gross Billings that are greater than the amount required to be offered under the Initial Plan, or a replacement Account offered under Section 1.4 has Account Gross Billings that are greater than the Terminated Account, you

must pay us a Sales and Marketing Fee for the excess value as provided in Section 4.

- 1.5. If a customer terminates your services at any time after one year from the date you begin providing services for that Account, we are not obligated to replace that Account, no matter what the reason for termination.

2. INITIAL AND RENEWAL TERMS

Term of Agreement: This Agreement is:

- Initial Term
- Renewal Term No. ____

- 2.1. The initial term of this Agreement (the “Initial Term”) expires 10 years after the Effective Date. “Term” means the Initial Term and any Renewal Term.
- 2.2. You may renew your franchise 2 times for 5-years each (each, a “Renewal Term”). You may do so only by satisfying all the following conditions:
 - 2.2.1. you deliver written notice to us at least 6 months—but no more than 12 months—before the Term expires;
 - 2.2.2. you have always complied with all this Agreement, the Operation Manuals (as defined in Section 12.1) and all other agreements between you and us or our affiliates, or if any defaults have occurred, the defaults have been resolved to our satisfaction;
 - 2.2.3. you pay all money you owe to us and our affiliates (including under any Promissory Note or other indebtedness);
 - 2.2.4. you sign our new form of unit franchise agreement and all related agreements; these agreements may differ substantially from this Agreement, such as a greater Royalty Fee, Support Fee, Advertising Fee, Administrative Fee, Negotiation Fee, etc.;
 - 2.2.5. you meet our then-current requirements for new franchisees, and you attend, or have at least one of your officers or managerial people attend, any required orientation, workshop, or similar class;
 - 2.2.6. you pay us a Renewal Fee of \$750 (the “Renewal Fee”); and
 - 2.2.7. you sign a general release (in form and substance satisfactory to us and JPI) of all claims against us, our affiliates and JPI, and our and their respective officers, directors, owners, agents and employees.

3. INITIAL FRANCHISE FEE

- 3.1. When you sign this Agreement, you must pay us the initial franchise fee stated on the Summary Page (the “Initial Franchise Fee”). If any portion of the Initial Franchise Fee is

financed, you must sign a Promissory Note (the “Promissory Note”) and all of your owners must sign a Guaranty (the “Guaranty”).

- 3.2. Except as provided in this Section, the Initial Franchise Fee is never refunded. If we don’t offer you Accounts with Account Gross Billings required by Section 1.2 within the time provided, we will reduce your Initial Franchise Fee by an amount equal to the “Adjustment Amount.” We will apply the Adjustment Amount first to reduce any amounts you owe us (including under a Promissory Note) and any remaining amount will be refunded to you. The “Adjustment Amount” is the difference between your Initial Franchise Fee and what the Initial Franchise Fee is for the Accounts we actually offered. If the Initial Plan we offered differs from a standard Initial Plan we offer, we will use a marginal rate calculation to determine that Initial Franchise Fee. We will deduct all amounts you owe us (including under a Promissory Note) from any refund.

4. ADDITIONAL CUSTOMER ACCOUNTS

- 4.1. We provide sales and marketing services for you on a commission basis for any Additional Accounts offered to you as set forth in this section. We may offer Additional Accounts (not included in the Initial Plan) to you (“Additional Accounts”). You can review any proposed Additional Account and choose whether you want it. If you want the Additional Account, you will pay us a sales and marketing commission/fee (the “Sales and Marketing Fee”) for the value of the services we provide in the acquisition and negotiation of the Account on your behalf. When you accept an Additional Account, you own that Additional Account. Your Additional Accounts remain your property unless transferred as provided in this Agreement or by operation of the terms of the Account contract.
- 4.2. The Sales and Marketing Fee for an Additional Account is determined by your Annualized Billings. “Annualized Billings” means 12 times your Gross Billings for the month before the month in which you are acquiring the Additional Account.
 - 4.2.1. If your Annualized Billings are less than \$20,000, the Sales and Marketing Fee is 5 times the Additional Account’s monthly Account Gross Billings.
 - 4.2.2. If your Annualized Billings are \$20,000 or more, the Sales and Marketing Fee is 4 times the Additional Account’s monthly Account Gross Billings.
- 4.3. You pay us the Sales and Marketing Fee under any method below you choose:
 - 4.3.1. You may pay the entire Sales and Marketing Fee in cash and get a 10% discount on the fee.
 - 4.3.2. You may pay the Sales and Marketing Fee in 4 or fewer equal monthly installments by having us deduct those installments (in addition to any other amounts you then owe us) from the next 4 or fewer payments we collect for you from all your Accounts. If the next 4 collected payments are not enough to fully pay the Sales and Marketing Fee (and the other amounts), we may either require you to pay the balance due on demand or deduct the balance due from amounts we later collect from your Accounts.
 - 4.3.3. You may finance the Sales and Marketing Fee by making a down payment and financing the balance of the Sales and Marketing Fee. Under this loan option, you

will sign the Promissory Note and all your beneficial and legal owners must sign the Guaranty.

- 4.4. If any Additional Accounts become Terminated Accounts during the Replacement Obligation Period (defined below) for any reason other than your documented Misconduct, we will replace the Terminated Account with an Additional Account(s) within a reasonable time.
 - 4.4.1. The “Replacement Obligation Period” is 12 months from when you start providing services for the Additional Account if you paid the Sales and Marketing Fee under Sections 4.3.1 or 4.3.2; or 6 months if you pay the Sales and Marketing Fee in any other manner.
 - 4.4.1.1. If we offer replacement Accounts that are equal to, or more than, the full Account Gross Billings of the Terminated Account, the Replacement Obligation Period continues to run from the *Terminated Account’s Start Date*; or
 - 4.4.1.2. If we offer replacement Accounts that are equal to, or more than, the remaining Account Gross Billings of the Terminated Account, the Replacement Obligation Period begins again from the *replacement Account’s Start Date*).
 - 4.4.2. If any replacement Account offered under this Section becomes a Terminated Account during the Replacement Obligation Period, we will offer to replace the Terminated Account by offering Account(s) for the remaining obligation period consistent with this Section.
 - 4.4.3. If an Additional Account is terminated after the Replacement Obligation Period expires, we do not have to replace it, no matter what the reason for termination.

5. CONTINUING FEES

- 5.1. You will pay us the following monthly, nonrefundable fees throughout the Initial Term:
 - 5.1.1. a royalty fee of 10% of your Gross Billings for the previous month (the “Royalty Fee”). “Gross Billings” means the total revenues due from each Account (including Additional Accounts, Supplemental Accounts and Negotiated Contracts) for all services you provide under the Marks during a calendar month. “Supplemental Accounts” are customer accounts we have not offered to you, or that you procured without our assistance, but that you are servicing under the Marks. The Supplemental Accounts will remain your property unless transferred under this Agreement or by operation of the terms of the that contract.
 - 5.1.2. a support fee of 5% of your Gross Billings for the previous month (the “Support Fee”).
 - 5.1.3. an additional administrative fee (the “Administrative Fee”) of 10% of Gross Billings for Special Services (as defined below) (“Special Services Billings”) for the previous month. “Special Services” are special or isolated cleaning services performed under one-time nonrecurring contracts that you accept. These services may include for example, carpet cleaning and extraction, floor stripping and

refinishing, disinfection services, or initial cleaning. Amounts due from customers for Special Services are included in Gross Billings; they are, however, separately reported and invoiced.

- 5.1.4. a contribution (“Advertising Fee”) to the advertising fund (the “Fund”) in an amount we periodically determine in our sole discretion; provided, however, we will not require Advertising Fees that exceed 1.0% of Gross Billings.
- 5.2. You will pay us the following nonrefundable fees, as incurred, throughout the Initial Term:
 - 5.2.1. You may purchase from us bidding and negotiation assistance services relating to a cleaning service contract (a “Negotiated Contract”). You will pay us a negotiation fee (the “Negotiation Fee”) of the first month’s Gross Billings for each Negotiated Contract (in lieu of a Sales and Marketing Fee). You will pay the Negotiation Fee in 3 equal installments, the first of which is due when the first payment under the Negotiated Contract is received. The Negotiated Contracts remain your property unless transferred under this Agreement or by operation of the terms of the Negotiated Contract. Since you pay no Sales and Marketing Fee on a Negotiated Contract, we have no obligation to replace a Negotiated Contract.
 - 5.2.2. You will pay us a \$50 Complaint or Standards Violation Fee (the “Complaint or Standards Violation Fee”) for each Complaint, to compensate us for our administrative cost of responding to the Complaint to prevent loss of goodwill of the Marks. A “Complaint” is a customer complaint to which you did not respond within the time stated in that customer’s service contract or the Jan-Pro Cleaning & Disinfecting customer warranty or service programs. If we have to contract with someone else to correct your Complaint, you also will pay us a service fee (the “Service Fee”) to compensate us equal to the cost of the other party to perform the services plus a fee of 20% of the cost for our administrative services.
 - 5.2.3. You will pay us a monthly National Account support fee of 2% of Gross Billings from National Accounts for the previous month (the “National Account Support Fee”). This fee is in addition to the Royalty Fee due on Gross Billings from National Accounts. A “National Account” is a national or regional account referred from JPI’s affiliate.
- 5.3. You may deduct no amount (whether for reduction, setoff, defense or counterclaim) from any payment you owe to us.
- 5.4. We can apply any payments you make in any way we choose, including to any past due indebtedness you owe us.
- 5.5. If you are late on any payment, you owe us, we will charge you interest at the lesser of: 18% per annum; or the maximum rate allowed by applicable law (the “Contract Interest Rate”). You will pay us this interest on demand.

6. SECURITY AGREEMENT

As security for all your monetary and other obligations to us or our affiliates under this Agreement or any other agreement (including under any Promissory Note you sign), you grant to us (and to JPI for indemnity obligations of which JPI is a third-party beneficiary under this Agreement) a first-priority security interest in all your assets used in your Franchised Business. These assets include all equipment, inventory,

agreements, contracts, your Accounts, your accounts receivable, and all other property you now own or later acquire, used in your Franchised Business. You will sign all documents needed to prove the security interests granted in this Agreement.

7. OUR BUSINESS AND MANAGEMENT SERVICES

- 7.1. To maintain the uniformity of the System and protect the integrity of the Marks, you must operate your Franchise according to the System's policies, procedures, and operational standards. We will provide you with a comprehensive initial Certification program on the Jan-Pro Cleaning & Disinfecting brand standards (the "Certification Program"). We will provide this program for up to 4 approved people without charge. We may charge a reasonable amount for additional people that attend the Certification Program. The Certification Program includes video, classroom, and on-site expert consultation. You may request our additional assistance, which we may provide if we can reasonably accommodate your request. We may introduce new methods and materials through personal consultation, group seminars, advanced Certification modules, and other programs. There are no costs to you for personal consultations and group seminars or for mandatory additional instruction. We may consult with you on business and operational problems and help you analyze your revenues and financial data.
- 7.2. Pursuant to this Agreement, you hereby purchase from us billing and payment processing services for your Accounts. We will invoice your Accounts monthly, unless your customer requests an alternate arrangement. We will use commercially reasonable efforts to collect the money due on Accounts and may engage collection agencies, attorneys, file litigation, or take any other actions we consider appropriate to collect and enforce payment from Accounts. From the amount we collect, we will deduct, and pay our self the fees due under this Agreement, Collection Costs, and any other amount you owe us under this Agreement or any other agreement (including money due under any Promissory Note). "Collection Costs" means our out-of-pocket costs (including legal fees, attorneys' fees and paralegals' fees, court costs and all other expenses) incurred to collect and enforce payments due under Accounts.
- 7.3. On the last business day of each month, we will pay you the net amount invoiced to your recurring Accounts the previous month (after deducting the amounts described in the previous Section), even if your customer has not yet paid. We will include payment for your net amount invoiced for your Special Services Billings only once the customer has paid. We also will provide you with a monthly report showing the amounts invoiced to each Account, and a full list of the amounts and types of all deductions.
- 7.4. If your customers have not paid, our payments to you under Section 7.3 are advances ("Advances"). If, after 90 days from the date an Account is invoiced, we have not collected the entire amount due from that Account, you must repay us the uncollected Advances plus our related fees. We will not charge interest on Advances, unless you fail to repay them under this Section, in which case interest accrues at the Contract Interest Rate from the date you must repay the Advance until paid. We do not have to make Advances for any Account we believe is a bad risk. In this case, we will notify you, and if you choose to continue servicing that Account, we will pay you for that Account only when it pays for services rendered.
- 7.5. We may offer you the option to pay us an Advance Assurance Fee (as defined below). If you pay this fee, you will not repay us for any Advances under Section 7.4 (the "Advance

Assurance Program”). If you exercise this option, you will pay the Advance Assurance Fee for the remainder of the Term, or until we discontinue the Advance Assurance Program. We may discontinue the Advance Assurance Program by providing you with written notice 30 days before the last day of the program is in effect. In this event, coverage will apply to all amounts on which an Advance Assurance Fee was paid. The “Advance Assurance Fee” is 2% of monthly Gross Billings.

- 7.6. We have the right to implement and administer and advertising fund (the “Fund”) for the purpose of promoting the System. The Fund is for the benefit of all franchisees. We have the exclusive right to maintain, operate, and administer the Fund. “Advertising Fees” as used in this Section refers to those contributions you make under Section 5.1.4, and you are not conferred any rights or benefits under this Agreement regarding the amounts paid into the Fund by other franchisees and other parties.
 - 7.6.1. We will deposit Advertising Fees into the Fund. We may use the Advertising Fees to meet the costs of conducting local, regional, or national advertising and promotional activities (including advertising campaigns, test marketing, marketing surveys, public-relations activities, developing and producing advertising and marketing materials, in any media, including print and electronic, and developing and operating Web sites) that we consider beneficial to the System. We may charge the Fund fees at reasonable market rates for advertising, marketing, and promotional services that our employees provide in lieu of engaging third-party agencies to provide these services.
 - 7.6.2. In our sole discretion, we may make, or refrain from making, any expenditures for advertising and promotional activities. Without limiting the generality of the foregoing, in any calendar year, we may spend more or less than that year's aggregate Advertising Fees to the Fund. We may have the Fund borrow from us or other lenders to cover any Fund deficits. We may have the Fund invest any surplus for the Fund's future use. Before the Fund's other assets may be spent, any interest earned on Advertising Fees must pay costs directly related to the Fund's advertising efforts.
 - 7.6.3. We retain sole discretion over the concepts and materials and all other matters relating to advertising, public relations, marketing, market research, and promotional campaigns. The Advertising Fees are intended to maximize general public recognition and acceptance of the Proprietary Marks for the benefit of the System as a whole. In administering the Fund, we need not make expenditures for you that are equivalent or proportionate to your Advertising Fees or to ensure that any franchisee benefits directly or pro rata from advertising or promotion conducted with the Advertising Fees.
 - 7.6.4. The Advertising Fees are not our asset. With respect to maintaining, operating, or administering the Fund, we are not a trustee or fiduciary and, except as provided in this Section, we assume no other direct or indirect liability or obligation to you.
 - 7.6.5. At any time, we may stop collecting and disbursing Advertising Fees and terminate the Fund. If we do so, we must disburse the remaining funds for the purposes authorized under this Agreement.
- 7.7. We will assist you in maintaining good relations with your customers. However, you remain responsible for finding your replacement if you cannot service your customers. If

you cannot service one or more of your customers due to adverse circumstances, you may ask us to assist you by locating a substitute contractor to service your customer. If we do this, you will be deemed to have directed us to divert any revenue you would have received for these services to the substitute contractor and you will receive no payments for the services the substitute contractor performed. You will receive no refund of any fees previously paid to us for these services.

- 7.8. You, as an independent operator of your Franchise, must and do control your day-to-day business activities and make strategic, operational, and other business decisions as you see fit, as long as you comply with this Agreement and act in a way consistent with the System and in a manner that preserves the integrity of the Marks in order to protect the goodwill of the brand. You have discretion over aspects of your business such as:
 - 7.8.1. staffing decisions, supervision, and other issues related to your staff;
 - 7.8.2. scheduling (however you should confer with your customers about customer preferences on this);
 - 7.8.3. which Accounts you wish to accept; and
 - 7.8.4. your strategy and method of business expansion, and negotiation and acquisition of Additional Accounts or Supplemental Accounts.

8. OPERATING STANDARDS

- 8.1. You acknowledge that the goodwill associated with the Marks and the success of franchises in the System depends on a consistently high standard of excellence in cleaning, maintenance, disinfection, sanitization (commercial and residential) services, and customer service, and uniform practices across franchises. You desire to benefit from this goodwill and the industry expertise inherent in the System's methods and practices. Therefore, you will attend, or cause at least one of your managerial personnel (satisfactory to us) to attend, and successfully complete the Certification Program, and any other seminars, sessions, programs, consultations and advanced instructional modules we deem necessary. If we, in our sole judgment, determine that you have failed to adequately familiarize yourself with the System, including your satisfactory participation in the Certification Program and other required instruction on the System and its methods, we may, at your expense (including our then standard consultation or Certification Fees), require you to retake the program, or we may terminate this Agreement. We will conduct all these programs and seminars at the times and locations we reasonably determine.
- 8.2. You have the sole responsibility to hire and maintain your staff of qualified and competent employees. You are solely responsible for all your hiring decisions and for all obligations arising from your relationship with your employees, even if you use sample employment policies, procedures, or examples that we make available for your optional use. You must obtain background checks meeting the Jan-Pro Cleaning & Disinfecting specifications before allowing any employee on any Customer's premises. You also must obtain from each of your employees a signed statement in which the employee acknowledges that you are their employer, not us or JPI. You must devote your best efforts to managing and operating your Franchise to protect the goodwill associated with the Marks.

- 8.3. You are responsible for keeping your agreed schedule with your customers, notifying your customers before any scheduled services you will miss, and scheduling a substitute cleaning service if the customer requests in order to protect the goodwill of the brand.
- 8.4. You are responsible for all keys and other methods of access to your customers' premises and for exercising reasonable security procedures and observing all security procedures that your customers require.
- 8.5. To ensure that you deliver high quality cleaning, maintenance, disinfection, sanitization (commercial and residential), and other services in a manner consistent with the goodwill associated with the Marks, you will purchase or lease equipment, chemicals, supplies, inventory, and any other products and services used to operate the Franchise only under our written specifications. We may alter these specifications in writing.
- 8.5.1. You will, before the Start Date, get the initial equipment and supplies (the "Initial Equipment Package") we require to conduct your Franchise and serve your Accounts according to the System and at the high level of quality necessary to protect the Marks. You must purchase your Initial Equipment Package from us or a third party within a reasonable time after you complete the Certification Program.
- 8.5.2. You will, at your expense, thereafter replace equipment and supplies as needed.
- 8.6. If you propose to purchase or lease any equipment, supplies, inventory or other products or services from an unapproved supplier, or that does not comply with our specifications, you must submit to us a written request for our approval, or request the proposed supplier itself to do so. As a condition of our approval, which we may grant or withhold or revoke in our sole discretion, we may require that our representatives be permitted to inspect the proposed supplier's facilities, and that samples from the supplier be delivered, at our option, either to us or to an independent, certified laboratory we designate for testing. In the case of products involving new specifications, we may likewise require that samples of those products be delivered either to us or to an independent, certified laboratory we designate for testing. We are not liable for damage to any sample that may result from the testing process. You must pay a charge not to exceed the reasonable cost of the inspection and the actual cost of the testing. We may, at our option, re-inspect any approved supplier's facilities and products and continue to sample the products at the supplier's expense, and revoke approval if the supplier fails to continue to meet our specifications. We require as a condition to our approval, that the supplier present satisfactory evidence of insurance, such as product-liability insurance, protecting us and our franchisees against all claims arising from the use of the supplied item(s) within the System.
- 8.7. You must comply with all federal, state, and local laws and regulations that apply to your Franchise (such as OSHA and employment laws), and maintain all permits, licenses, or certificates needed to operate your Franchise. You have 2 days to forward to us any inspection reports, warnings, or ratings that any governmental agency issues that indicate that you did not comply with a law or regulation.
- 8.8. You represent and warrant that you are either a corporation or limited liability company, duly incorporated or formed, validly existing and in good standing under local law. You must remain a corporation or limited liability company, as applicable, in good standing under local law for the entire Term of this Agreement. Prior to beginning operation, you must: 1) deliver proof of a valid and active business checking account in Franchisee's name

with a reputable banking institution, and 2) obtain a valid federal employer identification number for your business entity.

- 8.9. You are an independently owned and operated business and may manage your Franchise and its day-to-day operations as you want, as long as you comply with this Agreement. You must have at least one person actively involved in the management of your Franchise. This person must be the manager you select. This person must have successfully completed the Certification Program and other required programs.
- 8.10. As a condition of providing services under the Marks and to comply with brand standards regarding service offerings, you must offer for sale all approved services and products for which you have been certified and for which you have all necessary equipment. You may not provide any services or products under the Marks we have not approved (or for which we have revoked our approval). You must comply with all System customer warranty programs and customer service programs we have.

9. CUSTOMER SERVICE STANDARDS

- 9.1. You must, at your expense, provide all labor, materials, tools, supplies and equipment to service your customers. You must perform all services in a good and workmanlike manner in compliance with the high standards associated with the Marks.
- 9.2. Ownership of an Account immediately transfers to a designated provider if any of the following occurs:
 - 9.2.1. any documented Misconduct occurs involving the Account;
 - 9.2.2. we receive the customer's written request that its Account be transferred to a different franchisee;
 - 9.2.3. you sell cleaning or similar supplies to a customer outside of this Agreement, service the customer in a capacity other than as our System franchisee (except as permitted under this Agreement), or fail to notify us of all services performed for your customer as required in this Agreement; or
 - 9.2.4. this Agreement is terminated, you violate this Agreement or any other agreement with us, you stop being our franchisee or otherwise no longer want to service the customer.

If you believe that an Account was transferred unfairly, you may submit to us a written request that we consider special circumstances. We will consider your request in good faith. You will receive no refund or reduction of any fees already paid for a revoked Account.

10. ACCOUNTING AND RECORDS

- 10.1. You must maintain complete and accurate books and records for your Franchise's operations. These books and records must contain only information relating to your Franchise. Your books and records must be kept for at least 3 years (including after this Agreement expires or is terminated) from the dates they were prepared.

- 10.2. By the 10th day of each month, you must submit to us accurate records reflecting the previous month's entire Gross Billings and all other information we require. These records must be on our form. At our request, within 90 days of the end of your fiscal year, you must submit copies of your Franchise's federal and state income tax returns.
- 10.3. Before you may begin operating your business, you must deliver to us the items described below:
 - 10.3.1. Certificates of insurance or comparable evidence of coverage are required by this Agreement,
 - 10.3.2. A copy of your business license and any mandatory business registrations (and you must ensure that a current business license and/or registration is on file with us at all times during the term of this Agreement), and
 - 10.3.3. A copy of your articles of incorporation/organization as filed with the state or your operating agreement (whichever is applicable) and the related state issued entity/file number and your federal employer identification number.
- 10.4. During the Term and for 3 years after the expiration or termination of this Agreement, and at our expense, we and our representatives may at any reasonable time on prior written notice to you, examine and copy your books and records. For purposes of this examination, books and records excludes your employment records for your employees.

11. PROPRIETARY MARKS

- 11.1. You may use the Marks only as permitted in this Agreement. We keep the right to use and grant others the right to use the Marks. All rights not granted to you in this Agreement concerning the Marks remain ours.
- 11.2. You may use the Marks only under our standards and specifications. You must:
 - 11.2.1. use the Marks only to operate your Franchise. You may not use the Marks for any other purpose. You may not use the Marks or any reproduction or imitation of the Marks in any way likely to cause confusion, mistake or deception or create the appearance that any non-authorized service or product is provided by or endorsed by us or JPI.
 - 11.2.2. use the Marks as the only trademark identifications for your Franchise, and prominently display the Marks on or with all materials we designate, and only as we authorize.
 - 11.2.3. not use the Marks as security for your obligation or indebtedness.
 - 11.2.4. identify yourself as an independent franchisee and owner and operator of the Franchise when using the Marks.
 - 11.2.5. sign all documents we request to protect the Marks or to maintain their continued validity and enforceability as trademarks.
 - 11.2.6. not use the Marks as part of your Entity name.

- 11.2.7. not use the Marks or any similar names in any advertising or other written promotional materials or on the Internet or other electronic medium, without our prior written approval.
 - 11.2.8. not register any domain name containing the Marks or any similar names.
 - 11.2.9. not use or attempt to register any other trademarks, service marks, or other commercial symbols that are the same as or similar to any of the Marks.
 - 11.2.10. comply with our instructions on filing and maintaining any required fictitious, trade, or assumed-name registrations for the JAN-PRO Cleaning & Disinfecting trade name, and sign all documents we or our counsel deems reasonably necessary to get protection for the Marks and JPI's interest in the Marks.
 - 11.2.11. not use our name, logo, or your trade name on your paystubs, paychecks, checks to your employees, your HR manuals, employment applications, etc. You must only include your legal name on these documents.
- 11.3. You must immediately notify us of any suspected unauthorized use of, or any challenge to the validity or ownership of, the Marks, or our right to license or use the Marks, or your right to use the Marks. We will defend you against any third-party claim, suit, or demand arising out of your use of the Marks. If we determine that you have used the Marks in accordance with this Agreement, we will pay the cost of this defense, including the cost of any judgment or settlement. If we reasonably determine that you have not used the Marks in accordance with this Agreement and that your misuse is a factor in the third-party claim, suit, or demand, you must pay the cost of this defense, including the cost of any judgment or settlement. In any litigation involving your use of the Marks, you must sign all documents and perform all acts we believe advisable to conduct the defense, including becoming a nominal party to any legal action. Except when litigation results from your use of the Marks in a manner inconsistent with this Agreement, we will reimburse you for your out-of-pocket litigation costs to perform these acts.
- 11.4. Any use of the Marks outside this Agreement infringes our and JPI's rights in the Marks. Both during and after the Term, you will not, directly or indirectly, infringe or contest or aid in contesting the validity of, or our or JPI's right to, the Marks, or take any other action to damage these rights.
- 11.5. If, in our sole discretion, we think it advisable to modify or stop the use of any Mark or use one or more additional or substitute names or marks, you will do so at your sole expense within 30 days of our request.
- 11.6. Except as granted in this Agreement, you have no ownership or other rights in the Marks. All goodwill associated with the Franchise inures exclusively to JPI's benefit and is JPI's exclusive property.

12. OPERATION MANUALS AND OTHER CONFIDENTIAL INFORMATION

- 12.1. To protect our and JPI's reputation and goodwill, and to maintain uniform standards of operation under the Marks, you must conduct your Franchise as stated in the System manuals (collectively, with all other written specifications, standards, and requirements we distribute and as we modify, replace and/or supplement, the "Operation Manuals"). While you may determine how to best operate your business, as long as your operation complies

with this Agreement and ensures the protection of the Marks, the Operation Manuals offer a guide for successfully operating within the System and include recommended methods of operation that comply with this Agreement.

- 12.2. We will loan you one copy of the Operation Manuals (with periodic updates). If any dispute arises on the contents of the Operation Manuals, the terms in our master copy of the Operation Manuals are controlling. You must report the theft, loss, or destruction of the Operation Manuals, or any portion thereof, immediately to us. We will then loan a replacement copy to you for \$200 for each replaced Operation Manual. A partial loss or failure to update any Operation Manual is considered a complete loss.
- 12.3. You must treat and maintain the Confidential Information as our confidential information and trade secrets. “Confidential Information” means any knowledge, know-how, technologies, processes, techniques, and any other information not generally known by, or readily available to the general public, or that we designate as confidential, proprietary, or trade secrets. Confidential Information includes information relating to customers, Accounts, and the Operation Manuals. Without our prior written consent, you will not copy, record, or otherwise reproduce any Confidential Information. You must strictly limit access to the Confidential Information to your employees, to the extent they have a “need to know” to perform their jobs. You must require all persons to whom you grant access to the Operation Manuals or any other Confidential Information to sign a form of confidentiality agreement that we reasonably approve. You must immediately give us copies of these signed confidentiality agreements.

13. BRAND STANDARDS AUDITS

To ensure the integrity of the Marks and protect JPI’s goodwill, you will permit JPI, us, and our respective representatives to enter your office or other business premises, and the locations where you perform services for your customers, to conduct brand standards audits and to observe your business activities. On notice from us or JPI, and without limiting our other rights under this Agreement, you will take all steps necessary to immediately correct any deficiencies found during any brand standards audit that, in our or JPI’s judgment, may diminish the value of or otherwise endanger the Marks or JPI’s goodwill.

14. INSURANCE

- 14.1. You must maintain the types and amounts of insurance we require. This insurance is in addition to any other insurance that is required by law. The policies we require must be written by an insurance company reasonably satisfactory to us with a Best rating of “A” or better, and, to the extent permitted by law, must name us and JPI as additional insureds. At a minimum, these policies must include:
 - 14.1.1. janitorial bonding of \$50,000;
 - 14.1.2. workers' compensation insurance for you and all of your employees with a minimum coverage of the greater of \$100,000 or the minimum state law coverage, and all unemployment insurance required under state and federal laws to maintain a proper unemployment insurance customer account; and
 - 14.1.3. comprehensive liability insurance covering property damage, loss and personal injury of \$1,000,000 per occurrence, \$2,000,000 in the aggregate, and automobile liability of \$1,000,000, personal injury and property damage

insurance; this comprehensive liability insurance may not have an exclusion for property in your care, custody, or control.

We may change the amounts of coverage required under this Agreement and require different or additional kinds of insurance, including excess liability insurance, to reflect inflation, new risks, changes in laws or standards or other relevant changes.

- 14.2. Before your Start Date, you must provide us with a certificate of insurance showing that you have the insurance required in this Agreement. The certificate of insurance must include a statement by the insurer that the policy or policies will not be canceled, subject to nonrenewal, or materially altered without at least 30 days' (10 days for non-payment of premiums) prior written notice to us. On our request each year, you must send us a certificate of insurance showing compliance with Section 14.1.
- 14.3. If you ever don't have the required insurance, we have the right (but not the duty) to immediately get this insurance for you. If we do, you must pay us for the cost of the insurance, plus interest at the Contract Interest Rate. You must immediately pay us these charges.
- 14.4. We may allow you to participate in a group insurance plan (the "Business Protection Program") that provides general liability insurance, workers' compensation insurance (where available) and bonding to us and our participating franchisees through an insurance company that names us and you as insureds. The cost of the Business Protection Program may include, in addition to premiums, fees payable to us for administering the Program. The current fee is stated on the Summary Page.

15. DEFAULT AND TERMINATION

- 15.1. If any of the following occurs, we may immediately terminate this Agreement without notice to you or an opportunity to cure: you become insolvent or file for bankruptcy. You must notify us within 3 days of any of the events in this Section.
- 15.2. If any of the following events occurs, we may—by written notice but without providing you with any opportunity to cure—immediately terminate this Agreement:
 - 15.2.1. you fail to attend and successfully complete, or cause at least one of your managerial people satisfactory to us to attend and successfully complete, the Certification Program or any other program required under Section 7.1;
 - 15.2.2. you fail to pay us or our affiliate any amount you owe us under this Agreement or any other agreement (including under any Promissory Note) within 10 days after we deliver a Notice of Default (as defined below);
 - 15.2.3. you fail to pay any third-party supplier or creditor any amount due within 10 days after we deliver a Notice of Default, unless you notify us there is a good-faith dispute over the amount due and take immediate action to resolve that dispute;
 - 15.2.4. you or any of your owners make any material misrepresentation in getting the Franchise, including in any franchise application submitted to us;

- 15.2.5. you abandon your Franchise or, for more than 7 consecutive days or 14 days in any calendar year, you fail to conduct the Franchise (including failing to service any customer for this period);
- 15.2.6. a serious or imminent threat or danger to public health or safety results from operating your Franchise and the threat or danger remains uncorrected for 24 hours after we or any governmental authority delivers written notice of it to you;
- 15.2.7. you do not comply with any part of this Agreement, or the Operation Manuals, including any safety, sanitation, or environmental concerns or violate any health, safety, or sanitation law, ordinance, or regulation that may harm the goodwill of the Marks, and do not correct the failure or refusal within 3 days after we or any governmental authority delivers written notice of it to you;
- 15.2.8. you, or any of your officers, directors, owners or managerial employees commits, is convicted of, or pleads *nolo contendere* to, a felony, a crime of moral turpitude or any other crime or offense we believe is likely to have a material adverse effect on the goodwill of the Marks, unless you immediately and legally terminate that individual as an officer, director, owner, or employee and take all other corrective action we require;
- 15.2.9. you deny us the right to inspect your Franchise or to inspect or audit the sales and accounting records of your Franchise;
- 15.2.10. you, or any of your officers, directors, owners or managerial employees engages in conduct that reflects unfavorably on you, us, or the Marks; or you or any of your officers, directors, owners or managerial employees engage in conduct that exhibits a reckless disregard for the physical or mental well-being of employees, customers, our representatives, or the public at large (such as theft, battery, assault, sexual harassment or discrimination, racial harassment or discrimination, alcohol or drug abuse, or other forms of threatening, outrageous, or unacceptable behavior);
- 15.2.11. you make a transfer in violation of Article 18;
- 15.2.12. an approved transfer is not completed as required by Section 18.6 following a Covered Owner's death or permanent disability;
- 15.2.13. any breach occurs under Section 12.3 (regarding Confidential Information) or Article 17 ("NONCOMPETITION");
- 15.2.14. you knowingly maintain false books or records, or knowingly submit any false reports to us;
- 15.2.15. you violate Article 11 ("PROPRIETARY MARKS") or otherwise impair the goodwill associated with the Marks or our or JPI's rights in the Marks;
- 15.2.16. you fail to have insurance as required under Article 14;
- 15.2.17. during any 12-consecutive-months, you receive from us 2 or more Notices of Default—whether for the same or different defaults, even if the defaults were cured; or

- 15.2.18. except as otherwise provided above, you or any of your affiliates default under any other agreement with us or any of our affiliates and the default is not cured as required by the other agreement.
- 15.3. In addition to the defaults in Sections 15.1 and 15.2, you are in default under this Agreement if you do not comply with any other requirement in this Agreement. Except as provided in Sections 15.1 and 15.2, you have 30 days after we deliver a Notice of Default to cure any default and provide evidence of cure satisfactory to us. If any default is not cured within the time stated in the Notice of Default, or any longer time as applicable law requires, we may immediately terminate this Agreement. To the extent a cure is permitted under this Agreement, you must prove that you properly and timely cured a default. A “Notice of Default” is a written notice briefly describing a default under this Agreement.
- 15.4. The termination of this Agreement does not affect any remedy, right, or claim we have against you under this Agreement or in law or equity.

16. OBLIGATIONS ON EXPIRATION OR TERMINATION

On the expiration or termination of this Agreement, all rights granted to you under this Agreement terminate immediately, and this Article applies to the rights and obligations of the parties. This Article is intended to enable us, if we choose, to immediately arrange for the continued servicing of your Accounts by someone other than you.

- 16.1. You must immediately stop operating your Franchise (including servicing any customers). Thereafter, you must not, directly or indirectly, talk or write negatively about any of the Marks, Confidential Information, or any aspect of the System. You may not represent yourself as our present or former franchisee or in any other way associate yourself with the System or the Marks. You must immediately stop using all stationery, signage, bills, invoices, and any other materials containing the Marks.
- 16.2. You must immediately deliver to customers or us, as the customer designates, all keys, security passes, security codes, and any other means of access to the customers’ premises. Before the expiration or sooner termination of this Agreement, when you stop servicing any customer, you will immediately deliver to the customer or us all that customer’s keys, security passes, etc. If you fail to timely do so, you must pay us \$500 for each day you do not comply with this Section. Our damages from your failure to comply with this Section are difficult to ascertain and this amount is liquidated damages and not a penalty.
- 16.3. We will keep all fees you paid under this Agreement. Within 10 days after termination or expiration (or any later date(s) as we determine that amounts are due to us), you will pay us all Royalty Fees, Support Fees, Advertising Fees, Administrative Fees, Complaint or Standards Violation Fees, amounts owed for products or services you purchased from us or our affiliates, and any other unpaid amounts you owe to us or our affiliates (including all outstanding principal and interest due under any Promissory Note you signed).
- 16.4. If you continue to operate, or later operate, any other business, you may not, in that business or the promotion of that business, use any reproduction or imitation of the Marks, imitate any methods of operation, or undertake any other conduct likely to cause confusion, mistake, or deception, or that is likely to dilute our or JPI’s rights in the Marks or the System. After expiration or termination, you may not use or attempt to register (or assist any third party to do the same) any trademarks, service marks, or other commercial symbol that are the same as or similar to any of the Marks. In addition, you will use no designation

of origin or description or representation that falsely suggests or represents an association or connection with JPI, us, or any of our respective affiliates. If you do this it is unfair competition.

- 16.5. At your expense, you will immediately deliver to us all Confidential Information and information and documents relating to your customers, Accounts, or otherwise to the Franchise (with all copies and any other forms of reproductions of these materials) in your possession or control. All this Confidential Information and information and documents, and copies, are our exclusive property.
- 16.6. Within 30 days after the expiration or sooner termination of this Agreement, you will cancel any assumed-name or equivalent registration involving the Marks and will furnish us with satisfactory evidence you have done so.

17. NONCOMPETITION

- 17.1. We could not protect the System and Confidential Information against unauthorized use or disclosure, and could not encourage a free exchange of ideas and information among franchisees within the System if you could solicit or otherwise induce customers you serviced under the Marks to be serviced by you or a third party other than as a franchisee of the System under the Marks.

During the Term and the 12-months after the expiration or sooner termination of this Agreement, neither you nor any of your owners, officers, or directors (you and all these other persons, collectively, the “Restricted Parties” and, individually, a “Restricted Party”) may, directly or indirectly:

- 17.1.1. solicit or otherwise attempt to induce (by combining or conspiring with), or influence in any other manner any of our Business Affiliates (as defined below) to terminate or modify his, her, or its business relationship with us or to compete against us. A “Business Affiliate” is any of our employees, officers, directors, agents, consultants, representatives, contractors, suppliers, distributors, franchisees, customers (including yours), or other business contacts.
- 17.1.2. in any manner interfere with, disturb, disrupt, impair, diminish, or otherwise jeopardize our or any of our franchisees’ businesses.

This Section does not prevent you from otherwise engaging in competitive activities, such as (1) providing cleaning or related services to customers who have not in the previous 12 months been serviced by you or any other person under the Marks, or (2) offering to any customers, including customers otherwise serviced under the Marks, services other than janitorial, cleaning, or maintenance services. However, in performing these other services, you will not represent yourself as a franchisee of the System or otherwise claim any affiliation with the Marks.

- 17.2. If you violate Section 17.1.1, you must pay to us a lump sum payment (as liquidated damages for causing the loss of Customers and not as a penalty) equal to the total of all Royalty Fees and Support Fees for the lost Customers for 12 months. The parties agree that a precise calculation of the full extent of the damages that we will incur as a result of your default is difficult and the parties desire certainty in this matter, and agree that the lump sum payment provided under this Section is reasonable in light of the damages that

we will incur in this event. This payment is not exclusive of any other remedies that we have.

- 17.3. Both during and after the Term, none of the Restricted Parties may talk or write negatively about JPI, us, or our affiliates, or any of our or their respective officers, directors, stockholders, employees, or representatives, or any aspect of the JAN-PRO System, or the Marks.
- 17.4. You and each Restricted Party agree that the activities prohibited in this Article, and the length of the term, are necessary to protect our legitimate business interests, including in the Marks, and are fair and reasonable. You and each Restricted Party's full, uninhibited, and faithful observance of each of the covenants in this Section will cause no undue hardship, financial or otherwise. Your and the other Restricted Parties' special knowledge of the System (and anyone acquiring this knowledge through you or the other Restricted Parties) is such as would cause us and our franchisees serious injury and loss if you or a Restricted Party (or anyone acquiring this knowledge through you or the other Restricted Parties) were to use this knowledge to the benefit of a competitor or to compete with us or any of our franchisees.
- 17.5. If any court or arbitrator finally holds that any term in this Article is an unreasonable restriction on you or the other Restricted Parties, this Agreement is not rendered void, but applies to the extent as the court or arbitrator concludes is a reasonable restriction under the circumstances. The time periods stated in this Article are suspended during any period in which you or any of the other Restricted Parties is breaching any of these terms or involved in a legal action or proceeding challenging the validity or enforceability of these terms.
- 17.6. All your owners and your managerial employees and all other persons to whom we provide instruction under this Agreement must sign your noncompetition and confidentiality agreement containing provisions similar to those in this Article before acquiring their ownership interest or beginning employment or Certification. You will promptly deliver copies of the signed agreements to us. We are a third-party-beneficiary under these agreements, with an independent right to enforce those agreements in our own name.
- 17.7. This Article is to be construed as independent of any other provision of this Agreement. The existence of any claim you or any other Restricted Party may have against us or any of our affiliates (regardless of whether arising from this Agreement) is not a defense to the enforcement of this Article against you or any other Restricted Party.

18. TRANSFER OF INTEREST

- 18.1. Without your consent, we have the right to transfer or delegate to any person any or all of our rights or obligations under this Agreement. If our transferee assumes in writing our obligations under this Agreement, within 7 days of our delivery of written notice of transfer, you will sign and deliver to us a written release from those obligations.
- 18.2. The rights and duties in this Agreement are personal to you. We grant the Franchise in reliance on our assessment of your and your owners' business and personal skill, reputation, aptitude, and financial capacity. Therefore, unless otherwise permitted by this Agreement, without our prior written consent, you will not sell, assign, convey, or otherwise dispose of—voluntarily, involuntarily, directly or indirectly, by operation of law or otherwise—this Agreement or any direct or indirect interest in this Agreement. (For purposes of this

Article, the term “transfer” refers to any of these actions.) Our consent to any transfer will not be unreasonably withheld.

You must provide us with prior written notice of any transfer of voting or ownership interests in you, even if it is not a transfer of an interest in this Agreement as provided in the next sentence. A transfer of 25% or more of the voting or ownership interests—individually or in the aggregate, directly or indirectly—is your transfer of an interest in this Agreement, as is a transfer of all or substantially all your assets used to operate the Franchise. For any purported or attempted transfer of an interest in this Agreement without our prior written authorization, by operation of law or otherwise, the transfer is null and void, and a material breach of this Agreement.

- 18.3. Neither you nor your owners may create or permit a lien against, nor pledge, grant a security interest in, or in any manner encumber this Agreement (or any interest in this Agreement).
- 18.4. Before we consent to a transfer of an interest in this Agreement, we may require that:
 - 18.4.1. you have paid us everything that you owe us (including under any Promissory Note you signed or any other debt obligations);
 - 18.4.2. you are not then in default under this Agreement or any other agreement between you and us or our affiliates;
 - 18.4.3. you sign a general release of all claims against us, our affiliates, JPI, and our and their respective officers, directors, owners, representatives, agents and employees (in their corporate and individual capacities);
 - 18.4.4. the transferee signs our form of assumption agreement, under which it assumes all of your obligations under this Agreement; or, if we request, the transferee signs our then current form of franchise agreement (for a term equal to the then remaining Term of this Agreement) and all other agreements we require for the Franchise; the terms of the agreements may differ substantially from those of this Agreement—such as higher fees;
 - 18.4.5. if the transferee is an Entity, its owners enter our then-current form of personal guaranty, under which they, jointly and severally, guaranty the transferee’s obligations under this Agreement (or the new form of franchise agreement discussed in Section 18.4.4) and any related agreement;
 - 18.4.6. the transferor pays us a Transfer Fee in lieu of an initial franchise fee; the “Transfer Fee” is the greater of: \$1,500 or 8% of your total Gross Billings for the 12-months ending on the last day of the calendar month before the month in which the transfer is to occur;
 - 18.4.7. the transferee has demonstrated to our reasonable satisfaction that the transferee has properly assumed, and can comply with, all of its, his, or her obligations for the Franchise;
 - 18.4.8. at the transferee's expense (including our then-current fee), and on terms we reasonably require, the transferee (or its owners if it is an Entity) has completed any initial Certification Programs then required for new franchisees; and

18.4.9. you and the transferee timely satisfy our other reasonable conditions.

Our approval of a proposed transfer is not an expression of our opinion on the appropriateness or fairness of the terms of the transfer or the likelihood of the transferee's success. If we disapprove of the transfer because all the transfer conditions in this Section or elsewhere in this Agreement have not been satisfied (or for any other reason), we have no liability of any nature to you or the transferee.

Our consent to any transfer is not a waiver of any claims we have against you. Even if we approve the transfer, no transfer releases you of liability for your conduct before the transfer.

- 18.5. If a Covered Owner (as defined below) dies; or is disabled from any cause and for a continuous period of over 3 consecutive months, cannot perform his or her obligations under this Agreement, then, within 30 days thereafter, you (or your legal representative) must hire and maintain a replacement satisfactory to us to perform the obligations. Any period of disability that is interrupted by a return to active and proper performance of duties under this Agreement for 14 days or less is considered continuous. "Covered Owner" means anyone who is an owner of you. If a satisfactory replacement is not hired or maintained as required, we may take your Accounts back and transfer the Accounts to another franchisee.
- 18.6. Within 6 months of any Covered Owner's death or permanent disability, that individual's estate or his or her representative must transfer his or her interests in you (or in any of your owners) or in this Agreement under the terms of this Article. We will not charge a Transfer Fee.

19. INDEPENDENT BUSINESS OWNER AND INDEMNIFICATION

- 19.1. This Agreement creates no fiduciary relationship between you and us. You are an independent business owner. Nothing in this Agreement appoints either party an agent, legal representative, subsidiary, joint venturer, partner, employee, affiliate or servant of the other party for any purpose. Nothing in this Agreement authorizes either party to make any contract, agreement, warranty, or representation on behalf of the other party. Neither party may incur any debt or other obligation in the other party's name unless the right to do so is explicitly stated in this Agreement. You will take all action we request to notify the public that you are an independent business owner. These actions may include placing and maintaining a plaque in a conspicuous place within your office and a notice on all stationery, business cards, sales literature, contracts, and similar documents that states that you own and independently operate your Franchise. The content of these items is subject to our prior written approval. You must also sign the Independent Contractor Acknowledgment form attached as Exhibit C.
- 19.2. **You agree that, since you are an independent business owner, and not our employee, you and not us, must make all periodic filings and payments for your business for all required federal and state taxes, payments, or filings (including all income, unemployment, and payroll taxes, such as FICA, FUTA, and SECA payments). Your agreement to this has materially induced us to enter this Agreement and but for your making this agreement, we would not have done so. You will operate the Franchise, and otherwise act in connection therewith, as an independent business owner, and will not act, or omit to act, in any manner that will cause you or your employees to be our or JPI's employees for any purpose.**

19.3. You will indemnify JPI and us from all actions, judgments, damages, liabilities, claims, losses, costs, and expenses (including reasonable legal fees, paralegal fees and attorneys' fees and other expenses, even if incident to appellate, post-judgment, or bankruptcy proceedings) to which we or JPI becomes subject, or that either incurs, arising from or relating in any manner to your ownership or operation of your Franchise. Examples of the claims covered by this indemnity include claims relating to: maintaining or operating vehicles; your being characterized as our employee by any federal, state or local court or agency; and your failing to act as an independent business owner or failing to pay any income, unemployment, or payroll tax or file any related return, or otherwise defaulting under Section 19.2. You will not have to indemnify us for any matter caused by our gross negligence or intentional misconduct. Notwithstanding the expiration or sooner termination of this Agreement, this indemnity continues in full force and effect. In addition to covering JPI and us, this indemnity also covers our respective affiliates and their and those affiliates' respective owners, officers, directors, employees, agents, and representatives.

19.4. *You agree that you have no relationship of any kind with JPI, and that JPI is not a party to this Agreement nor any other Agreement related to your Franchise. You agree that JPI is in the business of licensing its System and Marks to Regional Franchise Developers, and has licensed its System and Marks to us with a right to sublicense same, and that no obligation or connection of any kind or character flows from JPI to you by that fact or by any other fact or circumstance.*

20. **MEDIATION, ARBITRATION, AND EQUITABLE RELIEF.** You and we believe that it is important to resolve any disputes amicably, quickly, cost effectively and professionally and to return to business as soon as possible. You and we have agreed that the provisions of this Section 20 support these mutual objectives and, therefore, agree as follows:

20.1. Any disagreement, litigation, claim, dispute, suit, action, controversy, or proceeding of any type whatsoever including any claim for equitable relief and/or where you are acting as a "private attorney general," suing pursuant to a statutory claim or otherwise, between or involving you and us on whatever theory and/or facts based, and whether or not arising out of this Agreement (including any dispute or disagreement relating to arbitration, including the arbitrability of this Agreement or any of its provisions), our offer, sale, or negotiation of your Franchise, or the relationship of the parties, or any claim that this Agreement, or any provision of this Agreement (including Section 20.2), is invalid, illegal, or otherwise voidable or void or unenforceable ("Dispute") will be processed in the following manner, you and we each expressly waiving all rights to any court proceeding, except as expressly provided below at Section 20.8.

Subject to Section 20.8, any party seeking formal resolution of a Dispute will, before any arbitration proceeding may be filed, submit the Dispute to nonbinding mediation for a minimum of 4 hours before CPR under its national franchise-mediation program. If CPR cannot conduct the mediation, the Dispute may be submitted to the American Arbitration Association or any other mutually agreeable mediator. Mediation is a compromise negotiation for the purposes of the federal and state rules of evidence, and the entire process is confidential. Before any mediation, all parties will sign a confidentiality agreement reasonably satisfactory to us excepting only public disclosures and filings as are required by law. All parties must attend mediation. We will pay the costs of the first 4 hours of any mediation, and no mediation is required to extend beyond such 4-hour period. "CPR" means the International Institute for Conflict Prevention & Resolution, Inc.

- 20.2. Subject to Sections 20.1 and 20.8, all Disputes brought by you or us must be submitted to binding arbitration before one arbitrator of the American Arbitration Association (or any other mutually agreeable arbitration association) under its commercial arbitration rules only, even if you designate that the claim is subject to any other arbitration rules.
- 20.3. You and we agree that the franchise relationship is unique and that as a result it is important that anyone who serves as a mediator or arbitrator in a Dispute, must have a minimum of 7 years substantive experience in franchise law.
- 20.4. This Article must be construed as independent of any other provision of this Agreement. If a court or arbitrator of competent jurisdiction determines that any provisions are unlawful, that court or arbitrator is to modify or interpret the provisions to the minimum extent needed to have them comply with the law. Notwithstanding any provision relating to the state laws by which this Agreement must be governed and construed, all issues relating to arbitrability or the enforcement of the agreement to arbitrate in this Agreement must be governed by the United States Arbitration Act (9 U.S.C. § 1 et seq.) and the Federal common law of arbitration. The arbitrator, and not any federal, state, or local court, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, unconscionability, arbitrability, enforceability or formation of this Agreement including any claim of fraud in the inducement or that all or any part of the Agreement is void or voidable. However, the preceding sentence shall not apply to the clause entitled "Class Action Waiver."
- 20.5. Judgment on an arbitration award may be entered in any court of competent jurisdiction. This judgment is binding, final, and nonappealable.
- 20.6. The arbitration and mediation provisions in this Article are self-executing and remain in full force and effect after the expiration or termination of this Agreement. If either party fails to appear at any properly noticed arbitration proceeding, notwithstanding failing to appear, an award may be entered against that party by default or otherwise.
- 20.7. Except as provided in Section 20.1, each party bears its own costs for mediation and arbitration. The fees for mediation and arbitration payable to the mediator or arbitrator, and their applicable agency, however, will be split equally. Mediation and arbitration must take place in the county in which our principal office is then located, or if the mediator or arbitrator cannot conduct mediation or arbitration there, the nearest county where it can.
- 20.8. Notwithstanding the above, the obligation to mediate or arbitrate is not binding on either party for any request for a restraining order, injunction, or other procedure to get specific performance in a court of competent jurisdiction when that court considers the restraining order, injunction, or specific performance necessary to preserve the status quo or prevent irreparable injury pending resolution of the actual Dispute by mediation or arbitration. We may seek injunctive relief in any jurisdiction that has jurisdiction over you or any other party against whom this relief is sought.
- 20.9. Class Action Waiver. Any proceeding (whether mediation, arbitration, trial to a court or jury, appeal or otherwise) must be brought in the parties' individual capacity, and not as a plaintiff or class member in any purported class, collective, representative, multiple plaintiff, or similar proceeding ("Class Action"). You and We expressly waive any ability to maintain any Class Action in any forum. Further, an Arbitration proceeding between us and you (or any of your or our affiliates and owners and guarantors) may not be consolidated with any other Arbitration proceeding between them and any other franchisee,

person or entity. You hereby agree not to seek joinder of any of your claims with those of any other party. The arbitrator shall not have authority to combine or aggregate similar claims or conduct any Class Action nor make an award to any person or entity not a party to the arbitration. Any claim that all or part of this Class Action Waiver is unenforceable, unconscionable, void, or voidable may be determined only by a court of competent jurisdiction and not by an arbitrator. YOU AND WE UNDERSTAND THAT WE WOULD HAVE HAD A RIGHT TO LITIGATE THROUGH A COURT, TO HAVE A JUDGE OR JURY DECIDE OUR CASE AND TO BE PARTY TO A CLASS OR REPRESENTATIVE ACTION. HOWEVER, YOU AND WE UNDERSTAND AND CHOOSE TO WAIVE THAT RIGHT AND HAVE ANY CLAIMS DECIDED INDIVIDUALLY, THROUGH ARBITRATION. It's your and our joint business judgment that the limitations of this subsection make good business sense, because:

- 20.9.1. the mediation and arbitration procedures contemplated by this Agreement (and which you and we agree are the core methods for resolving disputes) function most effectively on an individual case basis,
- 20.9.2. there are significant business and other factors present in each individual Franchisee's situation which should be respected, and
- 20.9.3. the economic interests of lawyers on either side in class-wide or multiple plaintiff disputes, as well as the tendency to polarize positions, makes accommodation and compromise, as a practical business matter, less easily achieved, and which would be a serious detriment to your and our business interests, as well as those of the entire FRANCHISED BUSINESS system, in quickly, amicably and economically resolving any dispute.

21. ACKNOWLEDGMENTS AND REPRESENTATIONS

- 21.1. You agree that you received our Franchise Disclosure Document at least 14 calendar days before signing this Agreement or any other binding agreement with, or making any payment to, us or our affiliate for this franchise.
- 21.2. *YOU AGREE THAT, IN ALL OF YOUR DEALINGS WITH OUR OWNERS, OFFICERS, DIRECTORS, EMPLOYEES, AND REPRESENTATIVES, EACH ACTS ONLY IN A REPRESENTATIVE CAPACITY AND NOT IN AN INDIVIDUAL CAPACITY.*
- 21.3. *WE MAKE NO WARRANTY AS TO YOUR ABILITY TO OPERATE YOUR FRANCHISE IN THE JURISDICTION IN WHICH YOU WILL OPERATE. IF A LAW IS PASSED, OR REGULATION ISSUED, BY ANY GOVERNMENT PREVENTS YOU OR US FROM OPERATING THE FRANCHISE UNDER THIS AGREEMENT, WE ARE NOT LIABLE FOR DAMAGES OR TO RETURN ANY MONIES YOU PAID.*

22. GENERAL PROVISIONS

- 22.1. You release and discharge JPI and its affiliates, us and our affiliates, our designees, and other agents, and their respective officers, directors, representatives, employees and agents, from all claims of any kind, in law or in equity, that may exist as of the Effective Date involving this Agreement or any other agreement between the parties, or relating in any other way to the conduct of us or JPI and our and its respective affiliates, designees, or agents, and our and their respective officers, directors, representatives, employees and agents before the Effective Date, including for example, all claims, whether known or

unknown, suspected or unsuspected, arising under the franchise, business opportunity, securities, antitrust or other laws of the United States, any state or locality.

- 22.2. Subject to Article 12, this Agreement may be changed only by a written document signed by both parties and referring to this Agreement.
- 22.3. During the Term, we may change the System (including the goods and services your Franchise offers). You are bound by these changes to the System as if they were part of this Agreement when it was signed. You will pay all reasonable costs to timely implement and comply with any changes.
- 22.4. All of the terms of this Agreement, whether so expressed or not, are binding on, inure to the benefit of, and are enforceable by the parties and their respective personal representatives, legal representatives, heirs, successors, and permitted assigns.
- 22.5. All notices under this Agreement must be in writing, and must be hand delivered, sent overnight by a nationally recognized carrier, or mailed by certified mail (postage prepaid), return receipt requested, addressed to the appropriate party at its address stated on the Summary Page or to any other address as that party designates by notice complying with this Section. Notice properly sent and addressed is deemed delivered: (a) on the date delivered if by personal delivery or overnight carrier; or (b) on the date on which the return receipt is signed, delivery is refused or the notice is designated by the postal authorities or carrier as not deliverable.
- 22.6. The headings and subheadings in this Agreement are for convenience of reference only and do not affect the meaning of this Agreement.
- 22.7. If any provision of this Agreement, or any other agreement entered into under this Agreement, is contrary to, prohibited by, or deemed invalid under applicable law or regulation, that provision is inapplicable and deemed omitted to the extent so contrary, or prohibited.
- 22.8. Either party's waiver of any breach of this Agreement is not a waiver of any continuing or later breach of that provision, a waiver of the provision itself, or a waiver of any right or remedy under this Agreement.
- 22.9. Notwithstanding Section 20.6, if we hire an attorney or other professionals due to your failure to timely pay money you owe us or timely submit any reports, or any other failure to comply with this Agreement, you will immediately reimburse us for all reasonable costs we incur (including reasonable legal fees, attorneys' fees and court costs), even if a legal action or other proceeding is not filed.
- 22.10. Subject to Article 20, each of the parties irrevocably and unconditionally agrees that any suit, action or legal proceeding involving any Dispute must be brought only in the federal and state courts of record for the state and county where our principal office is located when the proceeding is filed; consents to the jurisdiction of these courts in any suit, action, or proceeding; and waives any objection he, she or it may have to venue in any of these courts.
- 22.11. Except as otherwise stated in this Agreement, no remedy conferred on any party is exclusive of any other remedy. Every remedy is cumulative and is in addition to every other remedy under this Agreement or applicable law or in equity.

- 22.12. This Agreement is not binding until it is signed by our duly authorized officer.
- 22.13. Whenever our consent or approval is required under this Agreement, our consent or approval must be in writing and signed by our duly authorized officer.
- 22.14. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051 et seq.) or the United States Arbitration Act (9 U.S.C. §§ 1 et seq.), this Agreement and any related agreement must be construed and enforced under the internal laws of the state where our principal office is located when this Agreement is signed, without regard to its conflict-of-laws principles.
- 22.15. No party may file mediation, arbitration, or litigation of any Dispute more than 1 year after the facts underlying the Dispute occur.
- 22.16. Each of the parties was, or had the opportunity to be, represented by their own counsel throughout the negotiations and signing of this Agreement and all the other documents signed with this Agreement. Therefore, none of the parties may claim or assert that any provision of this Agreement or of the other documents should be construed against the drafter.
- 22.17. This Agreement, its Exhibits and all other written agreements involving this Agreement and referenced in this Agreement, represent the entire understanding and agreement between the parties on the subject of this Agreement and replace all other negotiations, understandings and representations made between the parties. No representations, inducements, promises or agreements, oral or otherwise not written in this Agreement, its Exhibits and all other written agreements concerning this Agreement are of any force and effect. Notwithstanding, nothing in this Agreement will disclaim or require you to waive reliance on any representation we made in the franchise disclosure document (including exhibits and amendments) delivered to you or your representative before you signed this Agreement.
- 22.18. All our and your respective obligations that expressly or by their nature survive the expiration or termination of this Agreement continue in full force and effect after and notwithstanding its expiration or termination.
- 22.19. Neither we nor you will be liable for loss or damage, or deemed in breach of this Agreement, if failing to perform our or your obligations results from causes beyond our or your reasonable control, such as computer malfunctions, extreme weather and climatic conditions, inadequate supply of equipment or energy, compliance with applicable law, war, acts of terrorism, strikes, or acts of God.
- 22.20. If you consist of more than one person, the reference to “you” in this Agreement refers to either or all of the persons provided, however, all persons are jointly and severally liable for your obligations under this Agreement.
- 22.21. Except as provided in this Section and elsewhere in this Agreement to the contrary, nothing in this Agreement, whether express or implied, confers any rights or remedies under or by reason of this Agreement on any persons (including other JAN-PRO branded franchisees) other than the parties and their respective personal or legal representatives, heirs, successors, and permitted assigns. However, JPI is a third-party beneficiary under this Agreement to enforce its trademark rights and may independently enforce your obligations on usage of the Marks in its own name, even if we don’t do so.

- 22.22. If you default in performing any of your obligations under this Agreement, we have the right (but not the duty) to arrange for third parties to perform your obligations. If we do, you will immediately reimburse us for the actual costs of this performance. Interest accrues on all amounts due us under this Section at the Contract Interest Rate beginning 10 days after our demand for reimbursement.
- 22.23. *The parties mutually and willingly waive any right to, or claim for, any punitive or exemplary damages against the other, even if authorized by statute. On a dispute between the parties, each is limited to recovering only its actual damages. You also willingly waive any claim you may later have for any damages resulting from your being classified as our employee instead of our franchisee, including for example, lost wages, minimum wages, overtime wages, etc. Notwithstanding, if an arbitrator or court of competent jurisdiction finds that you are our or JPI's employee, you agree that you will return to us all payments that we made to you to the extent that these payments exceed what you would have earned at the applicable minimum wage.*
- 22.24. *The parties mutually and willingly waive the right to a trial by jury of all claims made between them whether now existing or later arising, including all claims, defenses, counterclaims, cross claims, third-party claims and intervenor's claims—whether arising from or related to the sale, negotiation, signing, or performance of the transactions to which this Agreement relates. None of the parties' respective claims may be litigated on a class-wide basis, nor joined with any third-party claim.*
- 22.25. All your legal and beneficial owners must sign the Joinder provided below. By doing so, each owner agrees that he or she is bound by this Agreement as if he or she were you under this Agreement and agrees that he or she is jointly and severally liable with the other owners and you for all your obligations under this Agreement. All Restricted Parties (other than you and your owners) must sign the Restricted Party Joinder provided below.

The parties are signing this Agreement on the Effective Date.

US:

YOU:

A&T Franchise Development LLC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

GUARANTY AND ASSUMPTION OF OBLIGATIONS

This Guaranty & Assumption of Obligations (“Guaranty” or “Agreement”) is given this ____ day of _____, 20____ (the “Effective Date”) by (list each guarantor):

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (the “Franchise Agreement”) dated as of the Effective Date by [JAN-PRO Franchise Development Franchisee] (“we,” “us” or “Franchisor”), each of the undersigned individuals (“Owners”), who constitute all of the owners of a direct or indirect beneficial interest in franchisee (“Franchisee”), as well as their respective spouses, personally and unconditionally: (a) guarantees to Franchisor and Franchisor’s successors and assigns, and Jan-Pro Franchising International, Inc. (“JPI”) for those obligations where JPI is a third party beneficiary (including but not limited to indemnification obligations), for the term of the Franchise Agreement (including, but not limited to, extensions) and afterward as provided in the Franchise Agreement, that they will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Franchise Agreement (including, but not limited to, any amendments or modifications of the Franchise Agreement); and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Agreement (including, but not limited to, any amendments or modifications of the Franchise Agreement), both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities including, but not limited to, the non-competition, confidentiality, transfer and arbitration requirements. Owners are the beneficial owners or spouses of the beneficial owners of all of the equity interest, membership interest, or other equity controlling interest in Franchisee and acknowledge there are benefits received and to be received by each Owner, jointly and severally, and for themselves, their heirs, legal representatives and assigns. Franchisee’s obligations under the Franchise Agreement, including the confidentiality and non-solicitation obligations, would be of little value to us if Franchisee’s Owners were not bound by the same requirements. Under the provisions of the Franchise Agreement, Owners are required to enter into this Guaranty as a condition to our entering into the Franchise Agreement with Franchisee.

Under the Franchise Agreement, we will provide Franchisee with specialized training, proprietary trade secrets and other confidential information (“Confidential Information”) relating to the establishment and operation of a Jan-Pro Franchise Development regional developer business. The provisions of the Franchise Agreement governing Franchisee’s non-disclosure obligations relating to our Confidential Information are hereby incorporated into this Guaranty by reference, and Owners agree to comply with each obligation as though fully set forth in this Guaranty as a direct and primary obligation of Owners. Further, we may seek the same remedies against Owners under this Guaranty as we may seek against Franchisee under the Franchise Agreement. Any and all information, knowledge, know-how, techniques and other data which we designate as confidential will also be deemed Confidential Information for purposes of this Guaranty.

Owners acknowledge that they could circumvent the purpose of this Guaranty by disclosing Confidential Information to an immediate family member (i.e., spouse, parent, sibling, child or grandchild). Owners



also acknowledge that it would be difficult for us to prove whether Owners disclosed the Confidential Information to family members. Therefore, each Owner agrees that he or she will be presumed to have violated the terms of this Guaranty if any member of his or her immediate family uses or discloses the Confidential Information or engages in any activities that would constitute a violation of the covenants listed in the paragraphs below, if performed by Owners. However, Owners may rebut this presumption by furnishing evidence conclusively showing that Owners did not disclose the Confidential Information to the family member.

Owners acknowledge that as a participant in our system, they will receive proprietary and Confidential Information and materials, trade secrets and the unique methods, procedures and techniques which we have developed. The provisions of the Franchise Agreement governing Franchisee's restrictions on competition and solicitation both during the term of the Franchise Agreement and following the expiration or termination of the Franchise Agreement are hereby incorporated into this Guaranty by reference, and Owners agree to comply with and perform each such covenant as though fully set forth in this Guaranty as a direct and primary obligation of Owners. Further, we may seek the same remedies against Owners under this Guaranty as we may seek against Franchisee under the Franchise Agreement.

The parties agree that each such covenant related to non-competition and non-solicitation will be construed as independent of any other covenant or provision of this Guaranty. If all or any portion of a covenant referenced in this Guaranty is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a final decision to which we are a party, Owners agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Guaranty.

Additionally, we have the right, in our sole discretion, to unilaterally reduce the scope of all or part of any covenant referenced in this Guaranty without Owners' consent (before or after any dispute arises), effective when we give Owners written notice of this reduction. Owners agree to comply with any covenant as so modified. Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with Franchisee and among other guarantors; (2) he or she will render any payment or performance required under the Franchise Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon Franchisor's pursuit of any remedies against Franchisee or any other person; (4) this liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person including, but not limited to, the acceptance of any partial payment or performance or the compromise or release of any claims (including, but not limited to, the release of other guarantors), none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Franchise Agreement (including, but not limited to, extensions) for so long as any performance is or might be owed under the Franchise Agreement by Franchisee or its owners, and for so long as Franchisor has any cause of action against Franchisee or its owners; and (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Franchise Agreement and, despite the transfer of any interest in the Franchise Agreement or Franchisee, each of the undersigned waives notice of any and all renewals, extensions, modifications, amendments or transfers.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation that any of the undersigned may have against Franchisee arising as a result of the undersigned's execution of and performance under this Guaranty, for the express purpose that none of the undersigned will be deemed a "creditor" of Franchisee under any applicable bankruptcy law with respect to Franchisee's obligations to Franchisor; (ii) all rights to require Franchisor to proceed against Franchisee for any payment required under the Franchise Agreement, proceed against or exhaust any security from Franchisee, take any action to assist any of the undersigned in seeking reimbursement or subrogation in connection with this Guaranty

or pursue, enforce or exhaust any remedy, including any legal or equitable relief, against Franchisee; (iii) any benefit of, any right to participate in, any security now or hereafter held by Franchisor; and (iv) acceptance and notice of acceptance by Franchisor of his, her or its undertakings under this Guaranty, all presentments, demands and notices of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest, notices of dishonor, notices of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices and legal or equitable defenses to which he, she or it may be entitled. Franchisor will have no present or future duty or obligation to the undersigned under this Guaranty, and each of the undersigned waives any right to claim or assert any such duty or obligation, to discover or disclose to the undersigned any information, financial or otherwise, concerning Franchisee, any other guarantor, or any collateral securing any obligations of Franchisee to Franchisor. Without affecting the obligations of the undersigned under this Guaranty, Franchisor may, without notice to the undersigned, extend, modify, supplement, waive strict compliance with, or release all or any provisions of the Franchise Agreement or any indebtedness or obligation of Franchisee, or settle, adjust, release or compromise any claims against Franchisee or any other guarantor, make advances for the purpose of performing any obligations of Franchisee under the Franchise Agreement, assign the Franchise Agreement or the right to receive any sum payable under the Franchise Agreement, and the undersigned each hereby jointly and severally waive notice of same. The undersigned expressly acknowledge that the obligations hereunder survive the expiration or termination of the Franchise Agreement.

If Franchisor is required to enforce this Guaranty in a judicial or arbitration proceeding, and prevails in such proceeding, Franchisor will be entitled to reimbursement of its costs and expenses including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', arbitrators', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If Franchisor is required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the undersigned will reimburse Franchisor for any of the above-listed costs and expenses Franchisor incurs.

Subject to the arbitration obligations and the provisions below, each of the undersigned agrees that all actions arising under this Guaranty or the Franchise Agreement, or otherwise as a result of the relationship between Franchisor and the undersigned, must be commenced in the state or federal court of general jurisdiction in the location of Franchisor's headquarters (which is currently Connecticut), and each of the undersigned irrevocably submits to the jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of, or venue in, those courts. Nonetheless, each of the undersigned agrees that Franchisor may enforce this Guaranty and any arbitration orders and awards in the courts of the state or states in which he or she is domiciled.

Owners will indemnify, defend and hold harmless us, JPI, all of our and their affiliates, and the respective shareholders, directors, partners, employees and agents of such entities, against and from all losses, damages, costs and expenses which we or they may sustain, incur or become liable for by reason of: (a) Franchisee's failure to pay the monies payable (to us or any of our affiliates) pursuant to the Franchise Agreement, or to do and perform any other act, matter or thing required by the Franchise Agreement; or (b) any action by us to obtain performance by Franchisee of any act, matter or thing required by the Franchise Agreement; or (c) the ownership or operation of the Franchise. Examples of the claims covered by this indemnity include claims relating to: maintaining or operating vehicles; any Owners or persons working in the Franchise being characterized as our or JPI's employee by any federal, state or local court or agency; and any Owner failing to act as an independent business owner or failing to pay any income, unemployment, or payroll tax or file any related return, or otherwise defaulting under Section 19.2 of the Franchise Agreement.

Upon the death of an Owner, the estate of such Owner will be bound by the obligations in this Guaranty, but only for defaults and obligations hereunder existing at the time of death, and the obligations of any other Owners will continue in full force and effect.

Owners acknowledge and agree that we have granted the Franchise Agreement to Franchisee in reliance on Owners' business experience, skill, financial resources and personal character. Accordingly, Owners agree not to sell, encumber, assign, transfer, convey, pledge, merge or give away any direct or indirect interest in this Franchisee, unless Owners first comply with the sections in the Franchise Agreement regarding Transfers. Owners acknowledge and agree that any attempted Transfer of an interest in Franchisee requiring our consent under the Franchise Agreement for which our express written consent is not first obtained will be a material breach of this Guaranty and the Franchise Agreement.

Any notices given under this Guaranty shall be in writing and delivered in accordance with the provisions of the Franchise Agreement. Our current address for all communications under this Guaranty is:

Jan Pro of Southern Connecticut
845 Foxon Road
East Haven, CT 06513

The current address of each Owner for all communications under this Agreement is designated on the signature page of this Agreement. Any party may designate a new address for notices by giving written notice to the other parties of the new address according to the method set forth in the Franchise Agreement.

This Guaranty constitutes the entire, full and complete agreement between the parties with regard to the guaranty and related obligations under this Guaranty and supersedes any earlier or contemporaneous negotiations, discussions, understandings or agreements. There are no representations, inducements, promises, agreements, arrangements or undertakings, oral or written, between the parties relating to the matters covered by this Guaranty, other than those in this Guaranty. No other obligations, restrictions or duties that contradict or are inconsistent with the express terms of this Guaranty may be implied into this Guaranty. Except for unilateral reduction of the scope of the covenants permitted in this Guaranty (or as otherwise expressly provided in this Guaranty), no amendment, change or variance from this Guaranty will be binding on either party unless it is mutually agreed to by the parties and executed in writing. Time is of the essence.

Each provision of this Guaranty, and any portions thereof, will be considered severable. If any provision of this Guaranty or the application of any provision to any person, property or circumstances is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Guaranty will be unaffected and will still remain in full force and effect. The parties agree that the provision found to be invalid or unenforceable will be modified to the extent necessary to make it valid and enforceable, consistent as much as possible with the original intent of the parties (i.e., to provide maximum protection for us and to effectuate the Owners' obligations under the Franchise Agreement), and the parties agree to be bound by the modified provisions.

Nothing in this Guaranty is intended to confer upon any person or entity (other than the parties and their heirs, successors and assigns) any rights or remedies under or by reason of this Guaranty.

Any term defined in the Franchise Agreement which is not defined in this Guaranty will be ascribed the meaning given to it in the Franchise Agreement. The language of this Guaranty will be construed according to its fair meaning, and not strictly for or against either party. All words in this Guaranty refer to whatever number or gender the context requires. If more than one party or person is referred to as you, their

obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation

This Guaranty may be executed in counterparts, and each copy so executed and delivered will be deemed an original. This Guaranty is binding on the parties and their respective heirs, executors, administrators, personal representatives, successors and (permitted) assigns.

References to “Franchisor” or “JPI” or “the undersigned” or “you” or “Owner” include the respective parties' heirs, successors, assigns or transferees.

Our failure to insist upon strict compliance with any provision of this Guaranty shall not be a waiver of our right to do so. Delay or omission by us respecting any breach or default shall not affect our rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Guaranty shall be cumulative.

You agree that fulfillment of any and all of our obligations written in the Franchise Agreement or this Guaranty, or based on any oral communications which may be ruled to be binding in a court of law, shall be our sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with us shall be personally liable to you for any reason.

In the event of any discrepancy between this Guaranty and the Franchise Agreement, this Guaranty shall control.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature as of the Effective Date.

Signatures and addresses of each Guarantor

Percentage of Ownership in Franchisee (or designation as a spouse of an Owner)

(Signature)

(Signature)

Print Name: _____

Print Name: _____

(Signature)

(Signature)

Print Name: _____

Print Name: _____

RESTRICTED PARTY JOINDER

Each of the parties signing below, being a “Restricted Party” under Article 17, agrees that he or she is bound by the terms of that Article and all other provisions in the Agreement on preserving our Confidential Information and trade secrets, including those in Article 12.

(Signature)

Print Name: _____

(Signature)

Print Name: _____

(Signature)

Print Name: _____

(Signature)

Print Name: _____

EXHIBIT A
PROMISSORY NOTE

\$ _____, 20__

1. Principal and Payment. FOR VALUE RECEIVED, the undersigned, _____ (“Maker”), promises to pay to **A&T Franchise Development LLC dba Jan Pro of Southern Connecticut** (“Holder”), at **845 Foxon Road, East Haven, CT 06513** (or at any other place as Holder specifies in writing), without deduction, abatement or offset in lawful money of the United States of America, the principal amount of \$ _____, with interest at the rate of 10% per year. Maker will pay Holder the principal and interest in _____ equal monthly installments of \$ _____, beginning on _____, 20__, and continuing on the 10th day of each consecutive month until _____, 20__, when this Note must be paid in full.

2. Franchise Agreement. This Note is being issued with a Franchise Agreement by Holder, as franchisor, and Maker, as Certified Business Owner (the “Franchise Agreement”). Unless defined otherwise in this Note, capitalized terms have the meanings given them in the Franchise Agreement.

3. Guaranty. Payment and performance of Maker’s obligations under this Note are secured by the written guaranty (the “Guaranty”) signed by _____ (“Guarantor(s)”).

4. Application of Payments. Holder may, in its sole discretion, credit any payment made under this Note (whether made when due or otherwise) first against any interest then due, and the remainder against the unpaid principal or any other amount due under this Note.

5. Default and Acceleration. Each of the following is an “Event of Default”:

a. Maker fails to timely pay any amount due under this Note (including any principal or interest) or fails to timely perform any other obligation under this Note and that failure continues for 10 days after Holder sends Maker with written notice of the failure;

b. Maker or any Guarantor fails to perform any of their obligations under the Franchise Agreement or Guaranty and this default continues beyond any cure period;

c. Maker or any Guarantor transfers any direct or indirect interest in the Franchise Agreement (“transfer” and “direct or indirect interest” are defined in the Franchise Agreement);

d. Maker or any Guarantor becomes insolvent or makes a general assignment for the benefit of creditors;

e. A petition in bankruptcy is filed by Maker or any Guarantor or a petition is filed against or consented to by Maker or any Guarantor;

f. A substantial portion of Maker’s or any Guarantor’s personal property used in the Franchise is sold after levy by any sheriff, marshal, or constable;

g. When, in Holder’s sole option, your Maker’s financial ability becomes impaired or unsatisfactory.

On an Event of Default, Holder may declare the entire principal balance of this Note, and all accrued interest, immediately due and payable. If Maker pays no principal or interest when due, interest accrues on the unpaid principal from the due date until paid in full at the maximum rate permitted by law (the “Default Interest Rate”).

6. Miscellaneous Provisions.

a. If Holder exercises no remedy on an Events of Default, the failure does not affect Holder’s right to exercise any remedies for any later defaults.

b. Maker and all endorsers and Guarantors of this Note waive valuation and appraisal, demand, presentment, notice of non-payment, dishonor and protest.

c. If suit is brought for the collection of this Note, or if it is necessary to place this Note in the hands of a collection agency or an attorney for collection, whether or not suit is filed, Maker and all endorsers and Guarantors of this Note will pay to Holder its reasonable legal fees, attorneys’ fees and paralegals’ fees and other expenses for undertaking collection. Amounts due under this paragraph are treated as added to the principal amount due under this Note—with interest accruing thereon at the Default Interest Rate—and are due on demand.

d. The state and county where Holder’s principal office is located on the date that the action is filed is the proper and exclusive jurisdiction and venue for any proceedings arising out of this Note. Maker consents—and waives all right to object—to the jurisdiction and venue of the federal and state courts closest to this location. Holder, however, may pursue any remedies in any jurisdiction and venue in which Maker or any Guarantor is located. This Note is to be construed according to the internal laws of the state where our principal office is located when the Franchise Agreement is originally signed, without regard to principles of conflicts of laws.

e. This Note may be prepaid in whole or part without premium or penalty.

f. This Note is “negotiable” which means that the Holder can sell or transfer collection rights to someone else. Holder may assign this Note to any assignee, who on assignment succeeds to Holder’s rights and status.

g. The following do not release or affect Maker’s or any Guarantor’s or endorser’s liability under this Note:

i. Holder grants Maker, or any other party any Renewal of time to pay any sums due under this Note or perform any obligation under this Note or in any other document securing the payment of this Note; or

ii. Holder releases Maker or any other party; agrees not to sue Maker or any other party; suspends the right to enforce this Note against Maker or any other party; discharges Maker or any other party; or takes or releases any collateral or security.

h. This Note may not be amended or modified—nor may any waiver of any provisions of this Note be affected—except by a written instrument signed by Holder. Maker and all other persons signing this Note have signed this Note as a principal and not as surety or accommodation party.

i. Time is of the essence on all dates in this Note.

- j. BY THEIR RESPECTIVE SIGNING AND ACCEPTING THIS NOTE, THE PARTIES MUTUALLY AND WILLINGLY WAIVE THE RIGHT TO A JURY TRIAL OF ANY CLAIMS MADE BETWEEN THEM, WHETHER NOW EXISTING OR ARISING IN THE FUTURE. THESE CLAIMS INCLUDE, WITHOUT LIMITATION, ANY CLAIMS, DEFENSES, COUNTERCLAIMS, CROSS-CLAIMS, THIRD-PARTY CLAIMS AND INTERVENOR'S CLAIMS, WHETHER ARISING FROM OR RELATED TO THE NEGOTIATION, SIGNING AND PERFORMANCE OF THE TRANSACTIONS TO WHICH THIS DOCUMENT RELATES. NONE OF THE PARTIES' RESPECTIVE CLAIMS MAY BE LITIGATED ON A CLASS-WIDE BASIS, NOR JOINED WITH ANY THIRD-PARTY CLAIM.

MAKER:

[Insert legal name of franchisee]

(Signature)

GUARANTY (Promissory Note)

This guaranty (“Guaranty”) is signed by the undersigned guarantors (each a “Guarantor,” and collectively, the “Guarantors”) and delivered to **[Insert your legal name]** (“we,” “us,” or “our”) as of _____, 20__.

1. In consideration of, and as an inducement to, our accepting from **[Insert legal name of franchisee]** (“you”) the promissory note you are issuing to us (the “Promissory Note”) to evidence certain amounts you must pay us under the Certified Business Owner agreement you and we are entering (the “Franchise Agreement”), each of the undersigned, personally and unconditionally guarantees to us, and our successors and assigns, that:

a. you will pay and perform all your obligations under the Promissory Note (the “Obligations,” which obligations include, without limitation, the obligation to pay all principal and interest due); and

b. he or she is bound by each of the Obligations as if he or she were the maker under the Promissory Note; and

c. he or she is personally liable for your breach of any of your Obligations.

2. Each of the undersigned waives:

a. acceptance and notice of acceptance by us of the foregoing undertakings;

b. notice of demand for payment of any indebtedness or nonperformance of any obligation guaranteed under this Guaranty;

c. protest and notice of default to any party regarding the indebtedness or nonperformance of any Obligations;

d. any right he or she may have to require that an action be brought against you or any other person as a condition of liability; and

e. all other notices and legal or equitable defenses to which he or she may be entitled.

3. Each of the undersigned agrees that:

a. his or her direct and immediate liability under this Guaranty is joint and several with each other guarantor under this or any other guaranty;

b. he or she must render any payment or performance required under the Promissory Note, on demand, if you fail or refuse to do so;

c. this liability is not contingent or conditioned on our pursuing any remedy against you or any other person; and

d. any liability is not diminished, discharged, or otherwise affected by any Renewal of time, credit, or other indulgence that we may grant to you or to any other person (including, without limitation, the acceptance of any partial payment or performance, release of any collateral, or the compromise or release of any claims, none of which modify or amend this guaranty).

This Guaranty is a guaranty of payment and not of collection. This Guaranty is irrevocable and continues in full force and effect until all of the Obligations are paid, performed and discharged. The Obligations are not considered fully paid, performed and discharged unless all payments by you, and any Guarantor, to us are no longer subject to any right by any person whomsoever—including, without limitation, to you, you as a debtor in possession or any trustee in bankruptcy—to disgorge any payments or seek to recoup any payments or any part of any payments.

This Guaranty continues to be effective if (i) any petition is filed by or against you or any Guarantor for bankruptcy, liquidation or reorganization, (ii) you or any Guarantor becomes insolvent or makes an assignment for the benefit of creditors or (iii) a receiver or trustee is appointed for all or any significant part of your or any Guarantor’s assets.

In addition to the amounts guaranteed under this Guaranty, the Guarantors are jointly and severally obligated to pay (i) all of our legal fees, attorneys’ fees and paralegals’ fees and other expenses that we incur to enforce this Guaranty and (ii) interest at the Default Interest Rate (as defined in the Promissory Note) on any of the Obligations not paid when due.

The state and county where our principal office is located on the date the action is filed are the proper and exclusive jurisdiction and venue for any proceedings arising out of this Guaranty. Each of the undersigned consents—and waives all right to object—to the jurisdiction and venue of the federal and state courts closest to this location. We, however, may pursue any remedies in any jurisdiction and venue in which any Guarantor is located. This Guaranty is to be construed according to the internal laws of the state where our principal office is located when this Guaranty is signed, without regard to principles of conflicts of laws.

IN WITNESS WHEREOF, each of the undersigned has signed this Guaranty on the date provided in the first paragraph of this Guarantee.

GUARANTORS:

Print Name

Signature

Print Name

Signature

Print Name

Signature

Print Name

Signature

**INDEPENDENT CONTRACTOR
ACKNOWLEDGEMENT**

I hereby acknowledge that my company, _____, has been awarded a franchise by _____ (a subfranchisor of Jan-Pro Franchising International, Inc.) for the operation of an independent commercial cleaning business under the Jan-Pro Cleaning & Disinfecting brand (a “Jan-Pro Business”). As an owner of an independent business, I:

- supervise, manage and control the day-to-day operation of my Jan-Pro Business and determine the methods and hours necessary to meet a cleaning account’s terms and requirements,
- am solely responsible for the Certification, scheduling, wages, staffing and management of my employees and the terms of their employment,
- manage my Jan-Pro Business expenses and provide equipment, chemicals, and supplies to support my Jan-Pro Business operation, and
- am not precluded from selling janitorial services to accounts outside of the Jan-Pro Business, which are considered non-Jan-Pro accounts, so long as I do not do so under the Jan-Pro brand and do not solicit accounts under contract with another Jan-Pro business and I will, upon request, provide evidence of such accounts.

Neither I nor my other Jan-Pro Business employees are employed by or agents of _____ [subfranchisor entity], Jan-Pro Franchising International, Inc. or any other Jan-Pro Franchising International, Inc. subfranchisor, and I am solely responsible for ensuring that:

- my Jan-Pro Business complies with federal, state, and local laws pertaining to its operation and that all taxes applicable to my Jan-Pro Business, including business taxes, self-employment taxes, income taxes, social security, and payroll taxes, are paid fully and on time, and
- any licenses and insurance that may be required to operate my Jan-Pro Business, including automobile liability and workers’ compensation insurance, and maintained and meet minimum coverage requirements, as provided in my Jan-Pro Business franchise agreement.

I will meet all Jan-Pro Franchising International, Inc. brand standards for identifying my Jan-Pro Business and its operations as independently owned and operated and will include specific notices of independent ownership on forms, business cards, stationary, advertising, signs and other materials. I will hold my Jan-Pro Business out as an independent business in all dealings and communications with the public.

Dated: _____

_____,
Jan-Pro Business owner (or Business Entity)

Signature

Print Name and Title

Exhibit B to the Franchise Disclosure Document
TABLE OF CONTENTS- OPERATIONS MANUAL

**JAN-PRO FRANCHISE CERTIFICATION MANUAL
TABLE OF CONTENTS**

		Pages
Module 1		
	Introduction to Jan-Pro	4
	Customer Service Overview	2
	Policies and Procedures Manual	See below
	Customer Service Questions	2
Module 2		
	Recap of Module 1 with Customer Service questions	
	Introduction and Overview of Module 2	2
	Setting Up Your Business	2
	Setting Up Your Franchise	1
	Beginning Your Operations	6
	Your Ongoing Operations	7
	Introduction to Chemicals and Equipment	12
	Customer Service Assignment	2
	Safety Data Sheets	75
Module 3		
	Recap of Module 2 with Customer Service questions	
	Introduction and Overview of Module 3	5
	Cleaning Schedule – Room By Room	12
	Encapsulation Cleaning	2
	Extraction Cleaning	5
	Customer Service Assignment	2
Module 4		
	Recap of Module 3 with Customer Service questions	
	Introduction and Overview of Module 4	2
	Cleaning The Efficient and Profitable Way	4
	Safety Certification Manual	2
	Hazard Communication Standards	8
	Franchisee Certification Practice Test	5
Module 5		
	Recap of Module 4	
	Introduction and Overview of Module 5	4
	Review Study Questions and Final Exam	6
Appendix		
	Room By Room Procedures	27
	Job Aid Cards	11
	Necessary Documents	29
Total Pages In Manual		239

JAN-PRO POLICIES AND PROCEDURES MANUAL**TABLE OF CONTENTS**

Subject		Pages
1	Compliance with Brand Standards	1
2	Your Legal Responsibilities	2
3	Beginning Your New Jan-Pro Franchise Business	4
4	Insurance	4
5	Financial Documentation	1
6	Approved Supplies	2
7	Advertising and Marketing Materials	1
8	Standard Operating Procedures	5
9	Staffing Procedures for Your Business	2
10	Admin Services We Offer Your Business	1
11	Communication With Us	2
12	Customer Billing and Collections	1
13	Receiving Your Monthly Payment	3
14	Special Services Performed For Customers	1
15	Sales and Marketing Fees	2
16	Transfers and Exchanges of Customer Accounts	3
17	Consequences for Poor Service	4
18	Cancellations	2
19	Absences From Your Business	1
20	Safety	2
21	Your Customer Sales Presentations	1
22	Transfer of Your Franchise Agreement	1
23	Legal Entities	2
24	Acknowledgement of Receipt	1
Total Pages		49

JAN-PRO SAFETY MANUAL

TABLE OF CONTENTS

	Topic	Number of Pages
Chapter 1	Employee General Safety Information	4
Chapter 2	Hazard Communication Standards	9
Chapter 3	Preventing Slip & Fall Accidents	12
Chapter 4	Most Frequently Asked Questions Concerning The Bloodborne Pathogens Standard	21
Chapter 5	Exposure Control Plan	11
	Exposure Control Plan	18
	First Aid & CPR	7
Attachments, Receipts, Acknowledgements		
	Hepatitis B Vaccine – Employee Declination	1
	Exposure Incident Report	1
	Notice of Treatment	1
Total Pages In Manual		85

Exhibit C to the Franchise Disclosure Document

FINANCIAL STATEMENTS

Audited financials are not available as Franchisor has not been operating for 12 months.

Master Franchisor's Audited Financial Statements are below.

CONSENT OF INDEPENDENT AUDITORS

As independent auditors, we hereby consent to the use of our report dated January 25, 2021, included in this Franchise Disclosure Document for Jan-Pro Franchising, International, Inc. It should be noted that we have performed no audit procedures subsequent to January 25, 2021, the date of our report. Furthermore, we have not audited any financial statements of Jan-Pro Franchising, International, Inc. as of any date or for any period subsequent to September 30, 2020.

Additionally, we consent to the inclusion of our report dated January 25, 2021 in the Franchise Disclosure Documents of the regional franchise developers of Jan-Pro Franchising International, Inc. It should be noted that we have not observed the current Franchise Disclosure Documents or prior Uniform Franchise Offering Circulars of any of the regional franchise developers of Jan-Pro Franchising International, Inc. nor have we observed any of the regional franchise developers' financial statements. Therefore, no audit procedures have been performed by us on any of the regional franchise developers of Jan-Pro Franchising International, Inc.

Smith & Howard

January 25, 2021

JAN-PRO FRANCHISING INTERNATIONAL, INC.
FINANCIAL STATEMENTS
and
SUPPLEMENTARY INFORMATION
YEARS ENDED SEPTEMBER 30, 2020, 2019 AND 2018
with
INDEPENDENT AUDITORS' REPORT

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	3-4
BALANCE SHEET	5
STATEMENT OF INCOME	6
STATEMENT OF STOCKHOLDER'S EQUITY	7
STATEMENT OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	9-15
SUPPLEMENTARY INFORMATION	
STATEMENT OF OPERATING EXPENSES	17

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholder Jan-Pro Franchising International, Inc.

We have audited the accompanying financial statements of Jan-Pro Franchising International, Inc. (the "Company"), which comprise the balance sheet as of September 30, 2020, 2019 and 2018, and the related statements of income, stockholder's equity and cash flows for the years 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 ("GAAP"); 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

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Those standards require that we plan and perform the audits 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 auditors' 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jan-Pro Franchising International, Inc. as of September 30, 2020, 2019 and 2018, and the results of their operations and cash flows for the years then ended in accordance with GAAP.

*Suite 1600, 271 17th Street, N.W., Atlanta, GA 30363
Tel 404.874.6244 Fax 404.874.1658 www.smith-howard.com*

Emphasis of Matter – Related Party Transactions

As discussed in Notes 2, 6, and 8, the Company has significant transactions with related parties.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures, in accordance with GAAS. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements as a whole.

Smith E Howard

January 25, 2021

JAN-PRO FRANCHISING INTERNATIONAL, INC.
BALANCE SHEET
SEPTEMBER 30, 2020, 2019 AND 2018

ASSETS

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Current Assets			
Cash	\$ 469,892	\$ 899,268	\$ 119,736
Accounts receivable	58,725	10,856	91,394
Royalties receivable	1,840,779	1,674,729	1,605,313
Notes receivable, current portion	289,268	399,562	361,056
Prepaid expenses	104,871	69,917	267,631
Income taxes receivable	<u>-</u>	<u>-</u>	<u>362</u>
Total Current Assets	2,763,535	3,054,332	2,445,492
Property and Equipment, Net	1,031,050	924,002	386,301
Other Assets			
Intangibles, net	92,477,749	94,613,140	96,748,530
Notes receivable, long-term portion	63,796	148,329	387,472
Due from affiliated companies	2,411,574	309,258	194,349
Other assets	<u>224,506</u>	<u>317,680</u>	<u>105,903</u>
	<u>95,177,625</u>	<u>95,388,407</u>	<u>97,436,254</u>
	<u>\$ 98,972,210</u>	<u>\$ 99,366,741</u>	<u>\$ 100,268,047</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Current Liabilities			
Accounts payable and accrued expenses	\$ 1,685,255	\$ 1,120,355	\$ 1,013,422
Deferred revenue on franchise sales	-	-	60,000
Deferred rent	172,483	105,336	39,859
Income taxes payable	<u>49,898</u>	<u>15,404</u>	<u>-</u>
Total Current Liabilities	1,907,636	1,241,095	1,113,281
Deferred Income Taxes Payable	10,969,462	11,498,291	11,874,791
Stockholder's Equity			
Common stock, \$1 stated value, 15,000 shares authorized, 1,000 shares issued and outstanding	1,000	1,000	1,000
Additional paid in capital	85,361,224	85,361,224	85,361,224
Retained earnings	<u>732,888</u>	<u>1,265,131</u>	<u>1,917,751</u>
	<u>86,095,112</u>	<u>86,627,355</u>	<u>87,279,975</u>
	<u>\$ 98,972,210</u>	<u>\$ 99,366,741</u>	<u>\$ 100,268,047</u>

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

JAN-PRO FRANCHISING INTERNATIONAL, INC.
STATEMENT OF INCOME
YEARS ENDED SEPTEMBER 30, 2020, 2019 AND 2018

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Revenue			
Master franchise fees	\$ 414,727	\$ 386,000	\$ 295,000
Franchise royalties and fees	19,705,985	17,652,200	15,624,747
Ancillary	<u>1,144,122</u>	<u>457,009</u>	<u>461,222</u>
	21,264,834	18,495,209	16,380,969
 Operating Expenses	 <u>9,566,768</u>	 <u>8,758,888</u>	 <u>8,532,948</u>
Income from Operations	11,698,066	9,736,321	7,848,021
Other Income (Expense)			
Depreciation and amortization	(2,624,343)	(2,394,895)	(2,318,775)
Interest income	467,952	295,258	516,935
Interest expense	<u>(45,305)</u>	<u>-</u>	<u>(46,232)</u>
	<u>(2,201,696)</u>	<u>(2,099,637)</u>	<u>(1,848,072)</u>
 Net Income Before (Provision) Credit for Income Taxes	 9,496,370	 7,636,684	 5,999,949
 (Provision) Credit for Income Taxes	 <u>(2,028,613)</u>	 <u>198,700</u>	 <u>6,441,100</u>
 Net Income	 <u>\$ 7,467,757</u>	 <u>\$ 7,835,384</u>	 <u>\$ 12,441,049</u>

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

JAN-PRO FRANCHISING INTERNATIONAL, INC.
STATEMENT OF STOCKHOLDER'S EQUITY
YEARS ENDED SEPTEMBER 30, 2020, 2019 AND 2018

	Common Stock	Additional Paid in Capital	Retained Earnings	Total
Balance, September 30, 2017	\$ 1,000	\$ 85,361,224	\$ 35,284	\$ 85,397,508
Dividends	-	-	(10,558,582)	(10,558,582)
Net Income	-	-	<u>12,441,049</u>	<u>12,441,049</u>
Balance, September 30, 2018	1,000	85,361,224	1,917,751	87,279,975
Dividends	-	-	(8,488,004)	(8,488,004)
Net Income	-	-	<u>7,835,384</u>	<u>7,835,384</u>
Balance, September 30, 2019	1,000	85,361,224	1,265,131	86,627,355
Dividends	-	-	(8,000,000)	(8,000,000)
Net Income	-	-	<u>7,467,757</u>	<u>7,467,757</u>
Balance, September 30, 2020	<u>\$ 1,000</u>	<u>\$ 85,361,224</u>	<u>\$ 732,888</u>	<u>\$ 86,095,112</u>

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

JAN-PRO FRANCHISING INTERNATIONAL, INC.
STATEMENT OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2020, 2019 AND 2018

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Cash Flows from Operating Activities:			
Net income	\$ 7,467,757	\$ 7,835,384	\$ 12,441,049
Adjustments to reconcile net income to net cash provided by operating activities:			
Bad debt expense	-	30,408	63,506
Depreciation and amortization	2,624,343	2,394,895	2,318,775
Credit for deferred income taxes	(528,829)	(376,500)	(6,533,700)
(Increase) decrease in:			
Accounts receivable	(47,869)	80,538	(62,067)
Royalties receivable	(166,050)	(69,416)	(164,777)
Inventory	-	-	-
Notes receivable	194,827	170,229	206,864
Prepaid expenses	(34,954)	197,714	(122,966)
Other assets	93,174	(211,415)	71,424
Increase (decrease) in:			
Accounts payable and accrued expenses	599,394	122,337	306,173
Deferred liabilities	67,147	5,477	43,963
Net Cash Provided by Operating Activities	<u>10,268,940</u>	<u>10,179,651</u>	<u>8,568,244</u>
Cash Flows from Investing Activities:			
Purchases of property and equipment	(596,000)	(797,206)	(238,766)
Advances from (to) affiliated companies	<u>(2,102,316)</u>	<u>(114,909)</u>	<u>1,805,651</u>
Net Cash Provided (Required) by Investing Activities	<u>(2,698,316)</u>	<u>(912,115)</u>	<u>1,566,885</u>
Cash Flows from Financing Activities:			
Dividends paid	<u>(8,000,000)</u>	<u>(8,488,004)</u>	<u>(10,558,582)</u>
Net Cash Required by Financing Activities	<u>(8,000,000)</u>	<u>(8,488,004)</u>	<u>(10,558,582)</u>
Net Increase (Decrease) in Cash	(429,376)	779,532	(423,453)
Cash, Beginning of Year	<u>899,268</u>	<u>119,736</u>	<u>543,189</u>
Cash, End of Year	<u>\$ 469,892</u>	<u>\$ 899,268</u>	<u>\$ 119,736</u>
<u>Supplemental Disclosures of Cash Flow Information:</u>			
Cash paid (received) during the year for:			
Interest	\$ 45,305	\$ -	\$ 46,232
Income taxes	<u>\$ 114,056</u>	<u>\$ 67,750</u>	<u>\$ 74,500</u>

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

**JAN-PRO FRANCHISING INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020, 2019 AND 2018**

NOTE 1 – DESCRIPTION OF BUSINESS

Jan-Pro Franchising International, Inc. d/b/a Jan-Pro Franchising Systems International, Inc. (the “Company”) is a wholly owned subsidiary of Lynx Franchising, LLC (“Lynx”). Lynx is a wholly owned subsidiary of Lynx-JP Holdings, Inc. (“Holdco”), formerly Jan-Pro Holdings, Inc.

The Company is engaged in the business of selling and supporting regional franchise developer (“RFD”) cleaning service franchises in the United States of America and Canada. These RFDs sell and support individual franchisees to certified business owners (“CBO”) within their territories and pay royalties to the Company on their operations.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Presentation

The Company follows accounting standards set by the Financial Accounting Standards Board (“FASB”). The FASB sets accounting principles generally accepted in the United States of America (“GAAP”).

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Intangible Assets

The Company’s RFD franchise agreements, trademarks, non-compete agreements and goodwill were assigned fair values based upon an appraisal obtained as part of a recapitalization during 2008 as well as the recapitalization during 2017. The value associated with the RFD franchise agreements, trademarks and non-compete agreements are being amortized on a straight-line basis over 5-25 years.

The Company periodically evaluates whether changes have occurred that would require revision of the remaining estimated useful life of the RFD financing agreements, trademarks and non-compete agreements as well as whether changes have occurred to determine if all intangible assets are recoverable.

Goodwill is not amortized, but is tested for impairment using a fair value approach. If the fair value of the reporting unit is less than its carrying value, or if the fair value of the goodwill has been diminished, an impairment loss would be recorded to the extent of that difference. The Company tests for impairment as of September 30 annually. Goodwill will be tested for impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value or diminish the fair value of the goodwill. Management believes there has been no impairment of intangible assets for the years ended September 30, 2020, 2019 or 2018.

Property and Equipment

Property and equipment are recorded at cost. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets. The cost and accumulated depreciation for property and equipment sold, retired, or otherwise disposed of are relieved from the accounts, and resulting gains and losses are recognized currently. Minor maintenance, repairs, and renewals are expensed as incurred.

**JAN-PRO FRANCHISING INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020, 2019 AND 2018**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

Revenue from sales of RFD franchises (“Initial Franchise Fees”) is recognized when substantially all significant initial services to be provided by the Company have been performed. When a RFD franchise is sold, the Company agrees to provide certain initial services, including advertising material, manuals and training aids, and three weeks of training and on-site assistance. Deferred revenue on franchise sales at September 30, 2020, 2019 and 2018 represent that portion of total revenue from RFD franchise sales attributable to service required to be provided by the Company that has not yet been performed.

Risks and Uncertainties

The Company grants credit to its RFD franchisees in the form of notes receivable secured by personal guarantees of the owners of the RFD franchise. At September 30, 2020, the Company had nine RFD franchisee notes receivable totaling \$353,064 (See Note 3). At September 30, 2019 and 2018, the Company had fourteen and nineteen RFD franchisee notes receivable totaling \$547,891 and \$748,528, respectively. The Company routinely assesses the financial strength of its franchisees, and as a consequence, believes its receivable credit risk exposure is limited. Therefore, the Company has not deemed allowance for collection of receivables necessary at September 30, 2020, 2019, and 2018.

The Company maintains cash balances at financial institutions that, at times, including September 30, 2020, 2019, and 2018, are in excess of federally insured limits. The Company performs periodic evaluations of the relative credit standing of those financial institutions that are considered in the Company’s cash management strategy. If liquidity issues arise in the global credit and capital markets, it is at least reasonably possible that these changes in risks could materially affect the amounts reported in the accompanying financial statements.

The Company has not experienced a disruption of normal business operations caused from COVID-19. It is possible that changes in risks in the near term could occur which could result in a change to the financial statements.

Income Taxes

The Company does not file a separate United States federal income tax return. Its results of operations for the years ended September 30, 2020, 2019, and 2018 are included in the consolidated returns of Holdco. The Company records its share of the consolidated federal and state income tax expense on a separate return basis and any consolidated income tax refundable or payable is included in the due to/from affiliated companies, and, accordingly, satisfied immediately via intercompany.

The Company accounts for income taxes in accordance with GAAP. This prescribes the use of the liability method whereby deferred tax asset and liability account balances are determined based on differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted rates and laws that will be in effect when the differences are expected to reverse. The Company provides a valuation allowance, if necessary, to reduce deferred tax assets to their estimated realizable value.

**JAN-PRO FRANCHISING INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020, 2019 AND 2018**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes (Continued)

The Company accounts for uncertainty in income taxes by prescribing the minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. The Company utilizes a two-step approach for evaluating tax positions. Recognition occurs when the Company concludes that a tax position, based solely on its technical merits, is more likely than not to be sustained upon examination. Measurement is only addressed if recognition has been satisfied. Under measurement, the tax benefit is measured at the largest amount of benefit, determined on a cumulative probability basis that is more likely than not to be realized upon final settlement. The term "more likely than not" is interpreted to mean that the likelihood of occurrence is greater than 50%. The Company recognizes penalties and interest accrued related to unrecognized tax benefits in income tax expense. At September 30, 2020, the Company has no unrecognized tax benefits, and there have been no significant income tax related penalties or interest recognized in 2020, 2019 and 2018.

The Company files income tax returns in the U.S. federal and various state tax jurisdictions. In the normal course of business, the Company is subject to examination by the federal and state taxing authorities. In general, the Company is no longer subject to tax examinations for tax years ending before September 30, 2017.

Subsequent Events

Management has evaluated subsequent events through the date of this report, which is the date the financial statements were available to be issued.

NOTE 3 – FRANCHISE SALES AND NOTES RECEIVABLE

At September 30, 2020, the Company is financing the sales of fourteen franchises to the purchasers. The notes receivable at September 30, 2020, 2019, and 2018 contain interest rates up to 10% and mature at various dates through 2022. Outstanding principal balances under the notes receivable are scheduled to mature for the years ending September 30 as follows:

2021	\$ 289,268
2022	61,582
2023	2,214
	<hr/>
	\$ 353,064
	<hr/>

**JAN-PRO FRANCHISING INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020, 2019 AND 2018**

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment is summarized as follows at September 30:

	<u>Estimated Useful Life</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Computers and software	3-5 years	\$ 1,592,077	\$ 1,016,525	\$ 409,392
Furniture and fixtures	7 years	214,006	208,290	160,518
Equipment	5-7 years	48,403	47,674	32,829
Leasehold improvements	15 years	32,536	32,258	10,797
Website development costs	3-5 years	539,984	526,259	420,264
		<u>2,427,006</u>	<u>1,831,006</u>	<u>1,033,800</u>
Less: accumulated depreciation		<u>(1,395,956)</u>	<u>(907,004)</u>	<u>(647,499)</u>
		<u>\$ 1,031,050</u>	<u>\$ 924,002</u>	<u>\$ 386,301</u>

Depreciation expense was \$361,569, \$259,504, and \$183,384 for the years ended September 30, 2020, 2019, and 2018, respectively.

NOTE 5 – INTANGIBLES

Intangibles consisted of the following at September 30:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Franchise agreements	\$ 47,874,347	\$ 47,874,347	\$ 47,874,347
Trademarks	2,808,769	2,808,769	2,808,769
Non-compete agreements	165,827	165,827	165,827
	<u>50,848,943</u>	<u>50,848,943</u>	<u>50,848,943</u>
Less: accumulated amortization	<u>(8,541,563)</u>	<u>(6,406,172)</u>	<u>(4,270,782)</u>
	42,307,380	44,442,771	46,578,161
Goodwill and franchise system	50,170,369	50,170,369	50,170,369
	<u>\$ 92,477,749</u>	<u>\$ 94,613,140</u>	<u>\$ 96,748,530</u>

Amortization expense was \$2,135,391 for the years ended September 30, 2020, 2019 and 2018.

NOTE 6 – RELATED PARTY TRANSACTIONS

The Company was party to management and consulting agreements with certain members of equity groups holding ownership units of Holdco. Additionally, the Company's Board of Directors consists of members of management of certain of the equity groups holding ownership units in Holdco. Consulting and board fees incurred by the Company approximated \$831,000, \$743,000, and \$641,000 for the years ended September 30, 2020, 2019, and 2018, respectively.

**JAN-PRO FRANCHISING INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020, 2019 AND 2018**

NOTE 6 – RELATED PARTY TRANSACTIONS (Continued)

The Company periodically lends or borrows unsecured interest bearing amounts with Holdco. Amounts due from Holdco at September 30, 2020, 2019, and 2018 were \$2,411,574, \$309,258 and \$194,349, respectively. There were no borrowings at September 30, 2019. Because there are no specific repayment terms relative to amounts due from Holdco, management classifies these amounts as long-term. Interest income recognized by the Company under unsecured net advances with Holdco totaled \$442,849, \$275,262, and \$478,269 during the years ended September 30, 2020, 2019, and 2018, respectively.

During 2006, the Company sold a license agreement to JPE. Royalties at 4% of gross profit and other income of JPE of approximately \$79,800, \$70,900, and \$70,800 were received by the Company during 2020, 2019, and 2018, respectively.

NOTE 7 – INCOME TAXES

The provision (credit) for income taxes consists of the following for the years ended September 30:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Current:			
Federal	\$ 2,355,845	\$ (9,300)	\$ (47,500)
Foreign	52,630	68,300	47,700
State	<u>148,967</u>	<u>118,800</u>	<u>92,400</u>
	<u>2,557,442</u>	<u>177,800</u>	<u>92,600</u>
Deferred:			
Federal	(398,921)	(309,500)	(6,420,000)
State	<u>(129,908)</u>	<u>(67,000)</u>	<u>(113,700)</u>
	<u>(528,829)</u>	<u>(376,500)</u>	<u>(6,533,700)</u>
	<u>\$ 2,028,613</u>	<u>\$ (198,700)</u>	<u>\$ (6,441,100)</u>

Deferred income tax assets (liabilities) at September 30 consist of the following:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Intangibles	\$ (10,722,805)	\$ (11,247,208)	\$ (11,793,971)
Tax over book depreciation	(176,160)	(141,746)	(96,098)
Other	<u>(70,497)</u>	<u>(109,337)</u>	<u>15,278</u>
	<u>\$ (10,969,462)</u>	<u>\$ (11,498,291)</u>	<u>\$ (11,874,791)</u>

**JAN-PRO FRANCHISING INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020, 2019 AND 2018**

NOTE 7 – INCOME TAXES (Continued)

The provision for income tax differs from the amount computed by applying the statutory federal income tax rate to pre-tax income primarily due to state income taxes, non-deductible items and the tax benefit recorded as a result of the Tax Cuts and Jobs Act (the "Tax Act"), discussed below.

During 2018, the President of the United States of America signed into the Tax Act. Under the Tax Act, maximum corporate tax rates were reduced from a rate of 35% to a flat tax rate of 21%. In connection with the initial analysis of the impact of the Tax Act, the Company has recorded a discrete tax benefit of approximately \$6,000,000 during the year ended September 30, 2018, which primarily consists of remeasuring the net deferred income tax liability for the corporate rate reduction. While management does not anticipate material changes to provisional estimates, there could be changes in estimates that can result from finalizing the filing of the Company's related income tax returns.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

Operating Leases

The Company has noncancelable operating leases covering certain facilities and other equipment which expire at various dates through December 2026. Future minimum lease payments for noncancelable operating leases with terms in excess of one year are as follows for years ending September 30:

2021	\$	305,135
2022		314,329
2023		323,751
2024		333,471
2025		343,507
Thereafter		443,648
		<u>\$ 2,063,841</u>

Rental expense under all operating leases approximated \$292,000, \$291,000, and \$141,000 for the years ended September 30, 2020, 2019, and 2018, respectively.

Legal Contingencies

Certain legal actions, proceedings, and claims have been instituted or asserted against the Company. Litigation is subject to many uncertainties and the outcome of individual matters is not predictable with assurance. It is reasonably possible that some of the legal actions, proceedings, and claims could be decided unfavorably against the Company. The Company's policy is to accrue a liability if an unfavorable outcome is probable and the amount can be reasonably estimated. Based upon currently available information, it is the opinion of management and outside counsel that any such liability resulting from these matters will not materially affect the financial position, results of operations, or liquidity of the Company.

Loan Guarantees

The Company and various other affiliates owned by Lynx have guaranteed approximately \$100,500,000 of credit facilities obtained by Lynx. Total outstanding borrowings were approximately \$82,000,000 at September 30, 2020.

**JAN-PRO FRANCHISING INTERNATIONAL, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020, 2019 AND 2018**

NOTE 9 – SUBSEQUENT EVENTS

During November 2020, the ownership group of Lynx entered into an agreement with a third party to sell its ownership interests in Lynx. Due diligence was completed and the transaction was closed and funded on December 23, 2020. The acquisition of Lynx was funded with cash and borrowings under debt agreements totaling \$141,500,000. The debt agreements entered into replace the credit facilities discussed in Note 8. The Company and various other affiliates owned by Lynx guarantee the new credit facilities obtained as part of the acquisition of Lynx. At the date of this report, purchase price accounting and allocations have not been completed.

SUPPLEMENTARY INFORMATION

JAN-PRO FRANCHISING INTERNATIONAL, INC.
STATEMENT OF OPERATING EXPENSES
YEARS ENDED SEPTEMBER 30, 2020, 2019 AND 2018

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Salaries and wages	\$ 3,959,951	\$ 4,090,821	\$ 3,730,625
Payroll taxes	327,592	299,163	248,463
Fringe benefits	174,728	172,044	162,571
Professional fees	952,332	487,338	746,640
Board fees	830,978	743,178	640,606
Cost of supplies	781,730	-	-
Website and software expenses	456,364	320,541	325,921
Office expenses	447,646	510,439	491,037
Meetings and seminars	395,358	559,374	420,818
Travel and entertainment	292,787	483,690	505,049
Rent	292,185	291,073	141,494
Commissions	160,102	194,698	139,746
Recruiting fees	159,265	52,479	211,839
Advertising and promotion	111,696	131,767	201,750
Training	106,830	191,076	191,311
Telephone	50,475	63,782	72,658
Marketing	40,171	123,852	209,434
Postage	13,688	10,165	10,726
Insurance expense	12,890	30,408	18,754
Bad debt expense	-	3,000	63,506
	<u>\$ 9,566,768</u>	<u>\$ 8,758,888</u>	<u>\$ 8,532,948</u>

Exhibit D to the Franchise Disclosure Document

LIST OF OUR CURRENT UNIT OUTLETS

Franchisee	Phone	Address 1	City	Zip
Alba J. Arredondo	203-644-5363	312 West Cedar Street	Norwalk	06851
Alba Lemos	203-984-4422	59 Springhill Avenue	Norwalk	06854
Albert Vidro	203-641-1011	54 Thorn Street	New Haven	06519
Alberto or Mara Izquierdo	203-970-9490	115 Fillow Street	Norwalk	06850
Amelia V. Sanchez	203-570-0848	182 Seaton Road, Apt 1	Stamford	06902
Ana M. Alday or Richard Huertas	203-940-2436	34 Wright St - Apt 2A	Stamford	06902
Ana M. Curry	203-219-4837	188 Infield St	Bridgeport	06606
Anthony D. Powell	203-645-3921	161 Virginia Avenue	Bridgeport	06610
Antonio Gomez	203-362-7199	977 Noble Avenue	Bridgeport	06608
Belinda Nixon	203-359-2081	11 Tuttle Street Unit #6	Stamford	06902
Benjamin Sutton	203-953-1166	PO Box 2493	Stamford	06906
Blanca Castillo	203-247-6457	20 Daly Street	Stamford	06902
Bromo's Cleaning Services, Inc.	917-651-8629	66 Washington Terrace	Bridgeport	06604
Cameron D. Greene	203-308-1340	170 Frank Street	New Haven	06519
Chawn Battle	203-392-4074	182 Barnes Ave	New Haven	06513
Claudette Deer	203-727-7800	1207 Kossuth Street	Bridgeport	06608
ClearPath Financial Services, LLC	203-525-8104	17 Bear Run	Woodbury	06798
Cosme Villafuerte	203-524-4356	141 Brookfield Ave	Fairfield	06825
D. Giraldo, L. Guarente & G. Alvarado	203-219-2891	9 Clifford St	Norwalk	06851
Edward Sampson	203-215-5882	168 Newhall Street	New Haven	06511
Elva Garcia	203-570-4595	26 Warren St	Stamford	06902
Freddy Flores	203-449-9294	290 Lindley Street #2	Bridgeport	06606
Gabriel Farfan	203-733-9853	6 Margerie St	Danbury	06811
Glenwood Nelson Jr.	203-218-4655	54 Rusling Place	Bridgeport	06604
Hector Mazo	203-243-2386	65 Manhattan Avenue	Bridgeport	06606
Hector Mendoza	203-213-9793	181 Washington Street	Wallingford	06492
Hector Mendoza Dominguez	475-343-7253	181 Washington St	Wallingford	06492
Henry Castillo	203-550-8288	22 Revere Drive Apt 4	Stamford	06902
Herbert Antrum	203-889-1579	377 Lombard St	New Haven	06513
Hrisanthy Improglou	203-515-0990	41 Benedict Court	Norwalk	06850
Imeldo Diaz or Elva Garcia	203-223-1693	19 Wells Avenue	Stamford	06902
Isaias Xicohtencatl	203-668-9286	53 Sumac Street	West Haven	06516
Jaime Vanegas	203-513-0051	160 Beechmont Avenue Apt. #B	Bridgeport	06606
James Curry	203-219-4837	188 Infield St	Bridgeport	06606
James Outlaw	203-613-5730	508 Harral Avenue	Bridgeport	06604
Javier Cordova	203-214-9274	89 Coleman St. Unit#832	West Haven	06516
Jean Smith	203-496-7778	297 Washington Blvd	Stamford	06902
Juan Quiroz	203-434-1961	21 High Street	Norwalk	06851
Julio Candiotti	203-820-8552	260 Goldbach Drive	Stratford	06614
Kim J. Rucker	203-258-8044	84 Rainbow Road	Bridgeport	06606
Leie Hamilton or Ronald J. Andrade Jr.	203-953-8615	1846 Boston Avenue	Bridgeport	06610
Leslie Wilds	203-331-7094	208 Howard Avenue	Ansonia	06401
Linda and Darrin Johnson	203-414-1090	36 Up Street	Bridgeport	06606
Luz D Soto Tapias & Jorge I. Sosa Londono	203-676-3733	39 Hemingway Avenue	East Haven	06512
Maria A. Mercado	203-621-8337	295 Cove Road	Stamford	06902
Maria Vizcarrendo	203-595-1670	65 Treet Avenue	Stamford	06906
Marta Acevedo or Veronica McCallister	203-360-1495	92 Woodbine Circle	Bridgeport	06606
Melinda Baxter	203-962-5791	20 Spruce Street	Stamford	06902
Melissa McLeod	203-535-6200	17 Alanson Rd	Bridgeport	06607
Merly Cruz or Marlin Gomez Cruz	203-434-0868	69 Silvermine Ave	Norwalk	06850
Miguel A Cespedes	347-751-2190	83 Catoona Lane	Stamford	06902
Mirtila Cruz or Yuris Hernandez	203-919-9693	25 Fillow St	Norwalk	06850
Monica Cobo	203-505-8908	29 Maple Street Apt 2-B	Norwalk	06850
Nahomie Sydney	203-246-2670	8 Auburn Street	Norwalk	06854

List of Current Outlets

Franchisee	Phone	Address 1	City	Zip
Nelsy Londono	203-520-9465	12 Charters Road	Ansonia	06401
Nicholl Rivers & Harry T. Rivers	203-868-1602	P.O. Box 8121	New Haven	06530
Oksana Los	203-545-0079	90 Frelma Drive	Trumbull	06611
Patricia E. Umana	203-543-6846	24 McAdoo Avenue	Trumbull	06611
Patricia Guzman	203-822-1042	31 Ward Street	Norwalk	06851
Paula Meono	203-820-3379	19 Juhasz Road	Norwalk	06854
Percy E. Mercado	203-559-2352	780 N Park Ave	Easton	06612
Robert McClain	203-276-0594	28 Perry street Apt 6J	Stamford	06902
Rodney Holloway	203-361-8793	26 Merrimac Street	Hamden	06514
Ronald Manning	203-606-7909	654 Laurel St	East Haven	06512
Ronald Roberson	203-804-7587	17 Tucker St	Danbury	06810
Sandra Perez	203-554-9885	30 Tierney St	Norwalk	06851
Sean Morrissey	203-243-1087	21 Cardinal Place	Stratford	06614
Sergio Docarmo	203-522-1104	158 Stephens Lane	Fairfield	06824
Terrance Lindsay	203-850-4612	281 Portsea Street	New Haven	06519
Thomas L. Johnson	203-583-5222	69 Judith Lane	Waterbury	06704
Vito Minutolo	203-767-6755	43 Hawthorne Ridge Circle	Trumbull	06611
Walter V. & Sandra A. Pasquel	203-559-5984	46 Terrace Ave	Stamford	06905
William Porter	203-722-7991	692 Cleveland Avenue	Bridgeport	06604
Willie Shannon Jr or Mary Reddick	203-893-9456	PO Box 9197	New Haven	06532
Yolanda Moyer	203-545-5051	90 Waterman Street	Bridgeport	06607
Zoila Castillo	203-505-2508	45 Cowan Ave	Stamford	06902

Exhibit E to the Franchise Disclosure Document

LIST OF OUR FORMER UNIT OUTLETS

Transfers

None.

Terminated, Non-Renewed, Reacquired by Us, or Ceased Operations, Other Reasons

Maria Burgos	203-864-1427	175 Mill Pond Road Hamden 06514
Marina Pena	203-816-1799	693 Jewett Avenue Bridgeport 06606

**Exhibit F to the Franchise
Disclosure Document**

FRANCHISEE DISCLOSURE QUESTIONNAIRE

FRANCHISEE DISCLOSURE QUESTIONNAIRE

We need to make sure that you understand your Franchise purchase. You must honestly answer the below questions.

1. Have you personally reviewed your Franchise Agreement and each of its exhibits?

Yes No

2. Do you understand all of the Franchise Agreement and each of its exhibits?

Yes No

If “No”, what parts of the Franchise Agreement do you not understand?
(Attach additional pages, if necessary.)

3. Have you personally reviewed our Franchise Disclosure Document (“FDD”)?

Yes No

4. Do you understand all of the information in this FDD?

Yes No

If “No”, what parts of the FDD do you not understand? (Attach additional pages, if necessary.)

5. Have you discussed the benefits and risks of operating a Unit Franchise business with an attorney, accountant or other professional advisor?

Yes No

6. Do you understand those risks?

Yes No

7. Do you understand that the success or failure of your business will depend mostly on your skills and abilities, competition from other businesses, labor and supply costs, and other economic and business factors?

Yes No

8. Has any employee or other person speaking for us made any statement or promise about your Franchise that is contrary to or different from the information in our FDD?

Yes No

9. Has any employee or other person speaking for us made any statement or promise about the amount of money or profit/revenue you may earn in operating your Franchise that is different from what is in Item 5 of our FDD?

Yes No

10. Has any employee or other person speaking for us made any statement, promise or agreement about the assistance that we will furnish to you that is different from the information in the FDD?

Yes No

If you have answered “Yes” to any of questions 8 through 10, please provide a full explanation of your answer in the following blank lines. (Attach additional pages if necessary and refer to them below.) If you have answered “No” to each of these questions, please leave the following lines blank.

11. Do you understand that our officers, directors, employees and agents act only in a representative capacity and not in an individual capacity and these dealings are solely between you and us and not you and them?

Yes No

You understand that we will rely on your answers to these questions. By signing this Franchisee Disclosure Questionnaire, you represent that you have honestly answered each question.

Name of Franchisee/Applicant:

Date: _____, 20__

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	Not Applicable
Hawaii	Not Applicable
Illinois	Not Applicable
Indiana	Not Applicable
Maryland	Not Applicable
Michigan	Not Applicable
Minnesota	Not Applicable
New York	Not Applicable
North Dakota	Not Applicable
Rhode Island	Not Applicable
South Dakota	Not Applicable
Virginia	Not Applicable
Washington	Not Applicable
Wisconsin	Not Applicable

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 RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If A&T Franchise Development LLC offers you a franchise, A&T Franchise Development LLC must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

If A&T Franchise Development 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580, or the authorized state administrator listed in Item 1.

Franchise Seller: Travis Williams 477 Connecticut Blvd., Ste. 209, East Hartford, CT 06108 860-586-2327

A&T Franchise Development LLC’s agent in this state authorized to receive service of process is listed in Item 1.

Issuance date: May 2021

I received a disclosure document dated February 2021 that included the following Exhibits:

- A - Franchise Agreement
- B - Table of Contents-Operations Manual
- C - Financial Statements (Regional Master Franchisee and Master Franchisor)
- D - List of Our Current Unit Outlets
- E - List of Our Former Unit Outlets
- F – Franchisee Disclosure Questionnaire

Date: _____ Your Name (Please print) _____

Your signature: _____

Return one copy of the signed receipt by signing, dating, and mailing it to Travis Williams at 845 Foxon Road, East Haven, CT 06531, 860-586-2327; or by faxing or emailing (as an attachment) a copy of the signed receipt to Travis Williams at 860-586-2361; or Travis.Williams@Jan-Pro.com. You may keep the second copy for your records.

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Franchise Seller: Travis Williams 845 Foxon Road, East Haven, CT 06513, 860-586-2327

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