I would first like to thank you for your commitment to strengthening the Moly Maid system by joining the Blue and Pink Association of Molly Maid owners. Our goal is to keep members informed of critical issues affecting our franchises. The forming of the association and back-office work that has to be done in forming such an association is new to all of us on the board and takes a great deal of time, We will get better at communicating our progress as we improve.

The goal of the association is to make certain that Molly Maid owners’ interests are represented and that we have some voice in guiding the future of our businesses. Rather than be in conflict with Neighborly, we want to work with the ownership in improving the system for all. Without a voice we fear changes that are damaging to owners will occur.

Below is some of the major issues we are addressing:

**Major Changes when renewing your Franchise Agreement:**

1. **Transfer (Selling) fee**

Transfer the greater of (i) $7,500 or (ii) 5% of the sales price. If you authorize us to enlist a third-party broker to locate the transferee, you must pay the then-current broker fee. All outstanding fees due prior to transfer. Transferee must buy a transfer initial package; these items typically cost $4,500 and are payable directly to the vendors we designate. The transfer fee is due before the transfer. The transfer initial package is payable per supplier’s terms. You must pay us this fee on the total gross sales price of the Business, **including all assets of the Business** **(i.e., cars. office equipment, supplies, etc.),** when you sell your Business, but we may discount or waive the transfer fee if the transfer is to a legal entity, you control or to a member of your immediate family (See Section 10.C. of the Franchise Agreement).

1. **Royalties**

When you renew, the clause that you will have the same royalty structure is removed. You are no longer guaranteed the same rate and ranges. The current License structure is $0 – $500,000.99 6½%; $500,001 – $800,000.99 6%; $800,001 –$1,200,000.99 5½%; $1,200,001 – $1,600,000.99 5%; $1,600,001 – $2,000,000.99 4½% over $2,000,001 4%. Also, if you have multiple franchise agreements, Neighborly is looking into removing blended rates and assessing royalties and ranges per agreement. **This will significantly increase your royalties.**

**Potential to charge royalties per agreement.**

1. **Call Center**

Call Center Service Fees vary by vendor. Current fees may include one-time set up fee

(which may range from $0-$249); recurring fees may be based on a per minute, per call

basis or a flat monthly fee (which may range from $259.99 to $599.99), and a fee per

booked sales appointment (which may range from $10 to $30/appointment). Minimum

monthly fees may also apply and may range from $160 to $600. Paid monthly in arrears. You

must use a third-party call center provider for rollover customer calls and for answering customer

calls outside business hours, including on weekends. You will pay these fees directly to the third

party vendor. **We reserve the right to require you to use an approved or designated call center provider, which may be us or our affiliate, and/or to require you to pay the call center fees to us or our affiliate.**

1. **Paradox will not be free starting in 2024**

Paradox ATS Fee $0 until 2/5/2024. In January 2024, you will pay a pro-rated portion of the then current annual fee ($650 for 2024) for the period from 2/6/2024 through the end of 2024. January 2024 and annually thereafter. We make this optional third-party web-based applicant tracking system (ATS) available to you. Until 2/5/2024, you will receive free access to this ATS, subject to your agreement to Paradox, Inc.’s terms of use. After that, if you wish to continue MOLLY MAID – 2023 FDD 23 Type of Fee (Note 1) Amount Due Date Remarks to use this system, you must pay the annual fee for continued access, which fee will be pro-rated for 2024. We may increase the fee annually to reflect price increases from the vendor, Paradox, Inc. You may opt out of the Paradox ATS at any time

**MAP Fund**

The MAP Fund will be accounted for separately and will not be used to defray any of Neighborly’s general operating expenses, except for such expenses, administrative costs and overhead relating to MAP Fund business, including compensation of employees and others providing services to the MAP Fund and other expenses that Neighborly incur in activities relating to maintaining, administering, directing and conducting the MAP Fund programs, including, without limitation, conducting market research and public relations activities; preparing advertising promotion and marketing materials; and collecting and accounting for MAP Fund contributions and expenses. If requested, we will provide you an annual unaudited statement of the financial condition of the MAP Fund.

**We intend to request the annual statement.**

**FAC Bylaws**

The current iteration of the FAC Bylaws is not legitimate since all of the owners did not vote on the changes The primary change to the bylaws was prohibiting members of the association to be on the FAC

**Summary**

These are issues the association will be addressing with Neighborly. These issues are primarily benefiting Neighborly and significantly reducing the financial margins of all the franchises.

Also, we on the board are only a few and to make the association the real success we know it can be, we need your help. Call your neighboring owners and owners you converse with and ask them if they have joined and will they. The greater the percentage of owners involved with the association the bigger the voice we will have to make meaningful changes to our bottomline.