Presale:

Servpro Master Issuer LLC (Series 2021-1)

March 2, 2021

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Preliminary Rating

Class	Preliminary rating	Balance (mil. $)	Anticipated maturity	Legal maturity (years)
A-2	BBB- (sf)	$260	April 2051	30

Note: This presale report is based on information as of March 2, 2021. The rating shown is preliminary. Subsequent information may result in the assignment of a final rating that differs from the preliminary rating. Accordingly, the preliminary rating should not be construed as evidence of a final rating. This report does not constitute a recommendation to buy, hold, or sell securities.

Executive Summary

SERVPRO Master Issuer LLC's (Servpro) $260 million series 2021-1 issuance is an incremental issuance from the securitization of Servpro's whole business. Approximately $50 million of the issuance proceeds will be used to fund a prefunding account to acquire the franchise system's remaining area development agreements and regional development consultant contracts. The remaining proceeds (approximately $210 million) will be used to pay transaction fees and expenses and for general corporate purposes, which may include a return of capital to shareholders. The series 2021-1 note issuance will increase leverage to approximately 8.1x of the total debt to adjusted EBITDA as of Dec. 31, 2020, if the series 2019-1 class A-1 variable funding note is fully drawn (or to approximately 7.2x if it is not drawn).

The transaction's key credit features include:

- Servpro's 100% franchised business;
- Servpro's strong brand recognition;
- The backup manager's ability to maintain cash flow continuity in the event of a manager bankruptcy;
- Servpro's long operating history of 54 years;
- The company's stable historic performance metrics, including cumulative average growth rate of approximately 12% since 1998 and positive same-store sales growth over the past 10 years;
- The business' geographic concentration, with the three largest states comprising approximately 22.5% of annualized systemwide sales for the 12 months ended Sept. 30, 2020; and
- The company's high adjusted leverage of over 7x.

Transaction Timeline

Expected closing date	March 10, 2021.
First interest payment date	July 25, 2021
Anticipated repayment date	April 2028.
Legal maturity date	April 2051.
Note payment frequency	Quarterly.

Participants

Sole structuring advisor and lead bookrunners	Barclays Capital Inc.
Manager	Servpro Industries LLC.
Backup manager	FTI Consulting Inc.
Master issuer	Servpro Master Issuer LLC.
Guarantors	Servpro SPV Guarantor LLC, Servpro Franchisor LLC, Servpro Distribution LLC, and Servpro Assets LLC.
Trustee	Citibank N.A.
Servicer	Midland Loan Services (a division of PNC Bank N.A.).

Rationale

The preliminary rating assigned to Servpro's senior secured class A-2 series 2021-1 notes reflects our view of:

- The strength of the Servpro brand, including the likelihood for the brand to survive through a Servpro bankruptcy and the brand's capacity to continue generating sufficient cash flow from business operations, provided adequate servicing remains in place.
- The acquisition of franchise area developers. Servpro has entered into a mutual beneficial agreement to buy existing franchise area developers out of their contract in exchange for ending the commissions the area developers receive. This will increase retained collections by an additional $24.5 million annually in securitized net cash flow through year-end 2022
- The replaceable manager. The manager's responsibilities are generally limited to sales, general, and administrative (SG&A) functions, which we believe increases the likelihood of a successful replacement if the current manager is terminated. The transaction also has a backup manager, FTI Consulting Inc., which will be established at the transaction's closing. FTI has reviewed the business' cost structure relative to the sizing of the management fee and believes the cost structure is adequate should FTI need to step in.
- The legal isolation of the assets. Substantially all of the business' cash-generating assets will have been sold by the transaction's closing through a "true sale" to the securitization issuer and guarantors, which are bankruptcy-remote entities. This should decrease the likelihood that existing Servpro creditors could disrupt cash flow to the securitization following a manager bankruptcy. Legal opinions related to true sale and nonconsolidation will have been provided by the transaction's closing.
- The asset performance not fully correlated with manager performance. A system of restoration services will likely continue to generate cash flow following the manager's bankruptcy because individual franchisees generally operate independently from the manager (except SG&A functions, which we believe can be transferred to a backup manager).
- The cash flow coverage. Given the brand's strength, the replaceable manager, and the legal isolation of the assets from the manager, we have projected long-term cash flow for the business. Our analysis incorporates cash flow haircuts reflecting our view of how the business' assets could weaken in adverse economic conditions. Under these conditions, our analysis

shows that the cash flow the business generates are sufficient to meet the rated notes' debt service obligations.

- The liquidity available in the form of a reserve account funded with three months of interest expenses and/or a letter of credit.

S&P Global Ratings believes there remains high, albeit moderating, uncertainty about the evolution of the coronavirus pandemic and its economic effects. Vaccine production is ramping up and rollouts are gathering pace around the world. Widespread immunization, which will help pave the way for a return to more normal levels of social and economic activity, looks to be achievable by most developed economies by the end of the third quarter. However, some emerging markets may only be able to achieve widespread immunization by year-end or later. We use these assumptions about vaccine timing in assessing the economic and credit implications associated with the pandemic (see our research here: www.spglobal.com/ratings). As the situation evolves, we will update our assumptions and estimates accordingly.

Key Credit Metrics And Peer Comparisons

Table 1

Key Credit Metrics And Peer Comparisons(i)

Brands	Series	S&P Global Ratings' current credit rating(ii)	Store count (no.)	AUV (mil. $)	Franchised (%)(iv)	International (%)(iv)	Operating history (from founding)	Concept type	Leverage (total debt/adjusted EBITDA)(v)(vi)	S&P Global Ratings' min. base-case DSCR(vi)	S&P Global Ratings' min. downside DSCR(vi)
SERVPRO	2020-1	BBB- (sf)(iii)	1,860	1.5	100	0	Over 30 years	Restoration services	8.1	1.7	1.4
ServiceMaster Brands	2020-1	BBB- (sf)	2,392	1.1	99	31	Over 30 years	R/R	7.1	1.7	1.3
Hardee's/Carl's Jr.	2020-1	BBB (sf)	3,840	1.2	93	25	Over 30 years	QSR	6.8	1.8	1.5
Driven Brands	2020-2	BBB- (sf)	3,229	1	84	19	Over 30 years	Auto services	6.7	1.9	1.6
Sonic	2020-1	BBB (sf)	3,583	1.3	94	0	Over 30 years	QSR	5.9	1.8	1.6
Jersey Mike's	2019-1	BBB (sf)	1,615	0.8	99	0.3	Over 30 years	QSR	6.4	2.2	1.7
Planet Fitness	2019-1	BBB- (sf)	1,899	2.1	96	2.7	29 years	Fitness	6.5	1.7	1.3
Domino's	2019-1	BBB+ (sf)	16,528	0.9	98	64	Over 30 years	QSR	5.9	1.8	1.4
Wendy's	2019-1	BBB (sf)	6,710	1.6	95	8	Over 30 years	QSR	6.6	1.7	1.4
Jack in the Box	2019-1	BBB (sf)	2,240	1.5	94	0	Over 30 years	QSR	4.9	1.9	1.6
Applebee's/IHOP	2019-1	BBB (sf)	3,652	2.2	98	7	Over 30 years	CDR	6	1.7	1.4
Dunkin' Brands	2019-1	BBB (sf)	20,912	0.8	100	43	Over 30 years	QSR	6.2	1.6	1.4

Table 1

Key Credit Metrics And Peer Comparisons(i) (cont.)

Brands	Series	S&P Global Ratings' current credit rating(ii)	Store count (no.)	AUV (mil. $)	Franchised (%)(iv)	International (%)(iv)	Operating history (from founding)	Concept type	Leverage (total debt/adjusted EBITDA)(v)(vi)	S&P Global Ratings' min. base-case DSCR(vi)	S&P Global Ratings' min. downside DSCR(vi)
Taco Bell	2018-1	BBB (sf)	6,505	1.6	91	6	Over 30 years	QSR	5.3	1.6	1.5
Jimmy John's	2017-1	BBB (sf)	2690	0.8	98	0	Over 30 years	QSR	5.2	1.8	1.7
Cajun Global	2017-1	BBB- (sf)	1588	0.7	85	32	Over 30 years	QSR	5.2	1.8	1.4
Five Guys	2017-1	BBB- (sf)	1437	1.2	69	5	Over 30 years	QSR	6.7	1.6	1.5
TGIF	2017-1	B (sf)	903	2.7	94	48	Over 30 years	CDR	5.6	1.3	1
Arby's	2015-1	BBB- (sf)	3335	1	72	1	Over 30 years	QSR	5.3	1.6	1.2

(i)All metrics are as of each series' closing date unless otherwise noted. (ii)S&P Global Ratings' credit rating is for the senior-most securitization note issued. (iii)Preliminary. (iv)Percent of total store count. (v)Total debt to adjusted EBITDA. As reported. (vi)Based on the preliminary rating. AUV--Average unit volume. DSCR--Debt service coverage ratio. QSR--Quick-service restaurant. CDR--Casual dining restaurant. R/R--Remediation/reconstruction. Hardee's/Carl's Jr.--Hardee's Funding LLC/Carl's Jr. Funding LLC. Driven Brands--Driven Brands Funding LLC (Maaco, Meineke, and others). Sonic--Sonic Capital LLC. Jersey Mike's--Jersey Mike's Funding LLC. Planet Fitness--Planet Fitness Master Issuer LLC. Domino's--Domino's Pizza Master Issuer LLC. ServPro--ServPro Master Issuer LLC. Wendy's--Wendy's Funding LLC. Jack in the Box--Jack in the Box Funding LLC. Applebee's/IHOP--Applebee's Funding LLC/IHOP Funding LLC (Dine Brands Global). Dunkin' Brands--DB Master Finance LLC (AUV represents domestic for both brands, leverage assumes no variable-funding note). Taco Bell--Taco Bell Funding LLC. Jimmy John's--Jimmy John's Funding LLC. Cajun Global--Cajun Global LLC (Church's Chicken). Five Guys--Five Guys Funding LLC. TGIF--TGIF Funding LLC. Arby's--Arby's Funding LLC.

Industry Overview

The restoration and reconstruction services industry is highly competitive with low barriers to entry. The market is highly fragmented, consisting of mostly smaller, regional firms. This mandates speed to start work as the key factor in overall customer satisfaction.

Servpro Business Overview

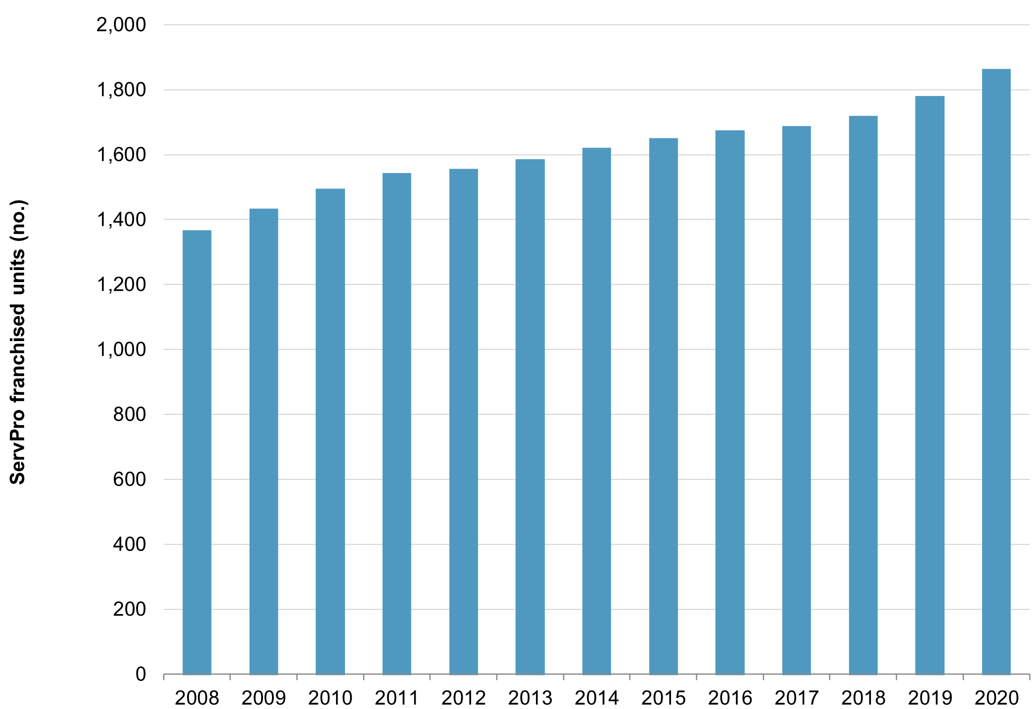
Servpro is based in Gallatin, Tenn. And is a leading franchisor in the restoration and reconstruction services industry. The company has national franchising platforms in the U.S. and Canada. Its 100% franchised system consists of 979 franchisees in approximately 1,860 locations as of Dec. 31, 2020 (see charts 1 and 2). Systemwide sales were approximately $2.8 billion in 2020 (see chart 3).

Servpro's franchisee base operates in all 50 states, with 52% of franchisees owning approximately one license. The franchise network has modest revenue concentration with the largest franchise generating about 2% of 2020 system sales. The system has a tenured franchisee base, with 63% of owners in the system for 10 years or longer. Of the approximately 1,839 franchise units, 1,825 are based in the U.S. and pledged to the transaction. Gross royalty rate has averaged approximately 5.0% over the past 10 years. On average, a Servpro franchise generates approximately $1.5 million in revenue, has payback periods of two to three years, and EBITDA margins of about 20%.

The brand has shown reliance during the pandemic, in our view. There was significant demand for Servpro's commercial cleaning business, which offset the lower demand for core restoration and reconstruction services, due to mild weather and the pandemic. In 2020, systemwide sales increased 9% and adjusted EBITDA increased 24% versus the prior year. Management reported that same-location sales growth for 2020 was 4%.

Chart 1

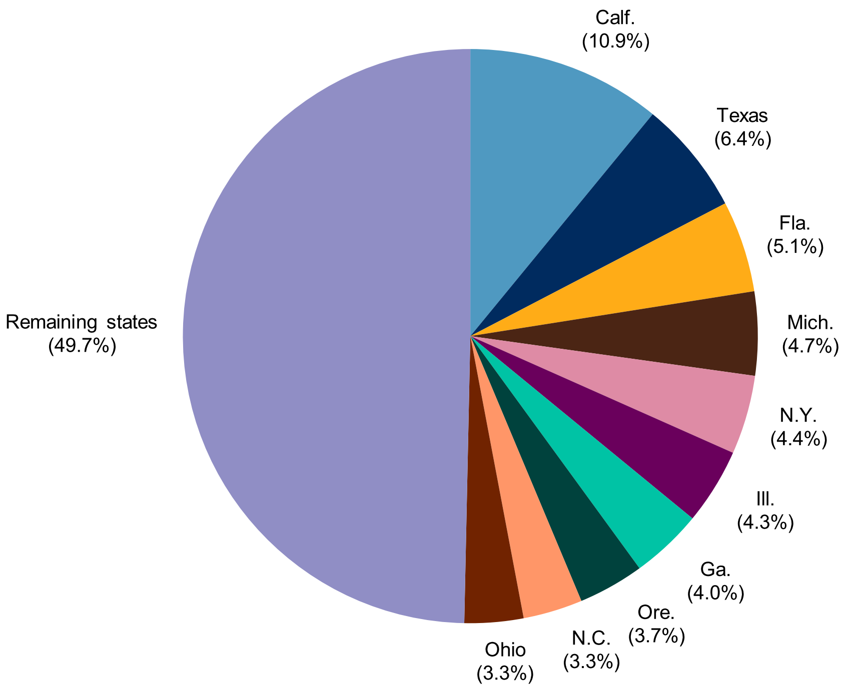
Total Unit Count



Source: Servpro Master Issuer LLC.

Chart 2

Geographic Concentration
% of annualized systemwide sales



Source: Servpro Industries LLC.

Chart 3

Total Systemwide Sales

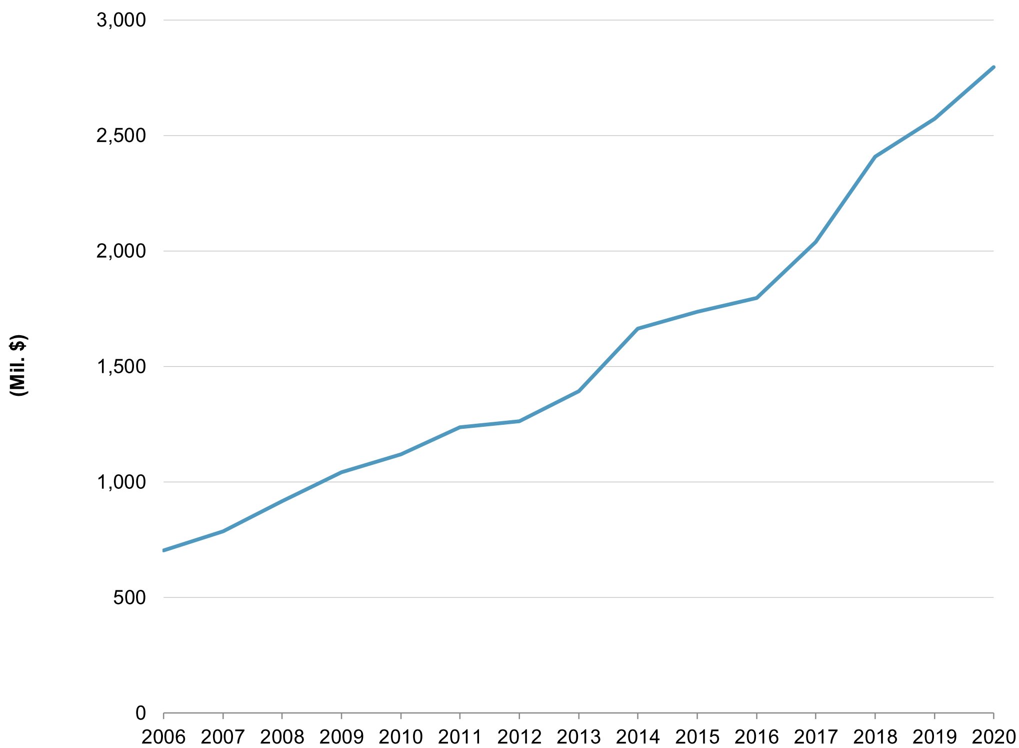
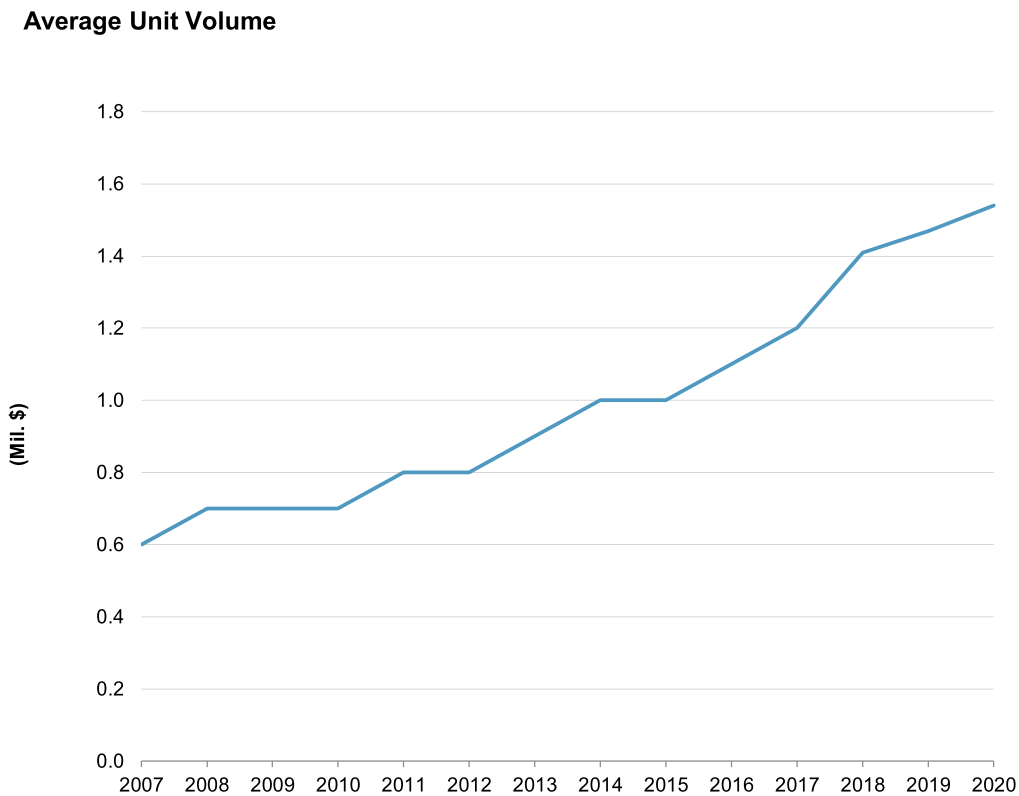


Chart 4



Source: Servpro Master Issuer LLC.

Servpro provides restoration and cleaning services to residential and commercial customers following loss events or disasters. The company derives most of its business from "everyday loss" events, which represent approximately 90% of sales (see chart 5). These losses include broken pipes, flooding, and small house fires. Servpro also provides services to "large loss" events, which represents approximately 10% of systemwide sales, and result from catastrophic events, such as hurricanes, tornados, or large-scale flooding. Servpro leverages its relationships with insurance companies to generate approximately 80% of its leads and most of its residential claims reimbursement. As of Feb. 18, 2021, Servpro had programs with 104 insurance companies, including nine of the top 10 property and casualty insurance companies. On March 26, 2019, The Blackstone Group L.P. acquired a majority stake in Servpro for approximately $1.3 billion.

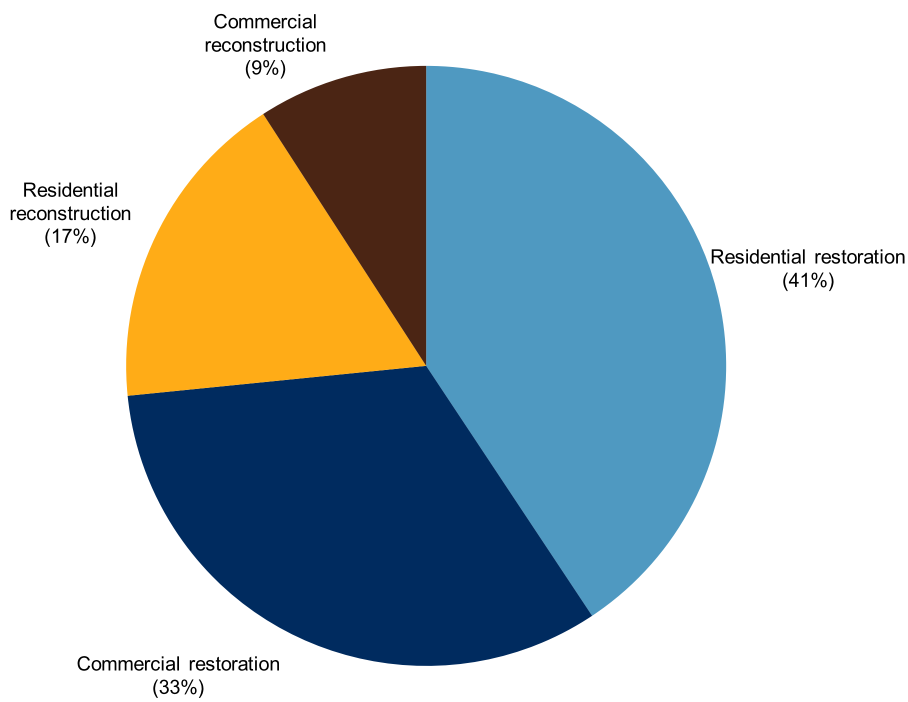
Servpro's major business lines include the core residential restoration and mitigation, commercial restoration and mitigation, and reconstruction (see chart 5). The residential restoration business comprised approximately 41% of systemwide sales as of the 12 months ended Sept. 30, 2020. Common residential losses include storm, fire, and water damage, with water damage representing approximately 35% of sales as of the 12 months ended Sept. 30, 2020. Servpro is considered the industry leader in the residential restoration and reconstruction sector, based on systemwide sales and a 12% compound annual growth rate (CAGR) since 2008.

Servpro's commercial restoration business, which was formally created in 2012, comprised approximately 33% of systemwide sales as of the 12 months ended Sept. 30, 2020. In 2016, Servpro introduced its commercial business growth initiative through the commercial accounts participation agreement program (CAPA). As of Sept. 30, 2020, the commercial business had a CAGR of 20%. The CAPA program is designed to educate franchisees on the commercial business, specifically targeting advertising and national account management. Since implementing the CAPA program in 2016, Servpro's total systemwide sales have remained positive, with year-over-year growth averaging 9% over the past five years.

Servpro's reconstruction business is utilized after initial restoration services have been provided, and it is intended to return a customer's home or business back to its pre-loss condition. The services offered include drywall installation, kitchen and bath remodeling, insulation, and painting services, among others. Servpro's reconstruction business contributed approximately 27% of systemwide sales as of the 12 months ended Sept. 30, 2020. and has been identified as a key focus for future growth. Although the reconstruction segment is a lower margin business, the average project size (approximately $8,500) is almost twice that of the mitigation segment. In 2018, Servpro introduced the reconstruction accounts participation agreement (RAPA) program, which serves as an introduction to national insurance carriers for the reconstruction business.

Chart 5

Business Line As % Of Systemwide Sales

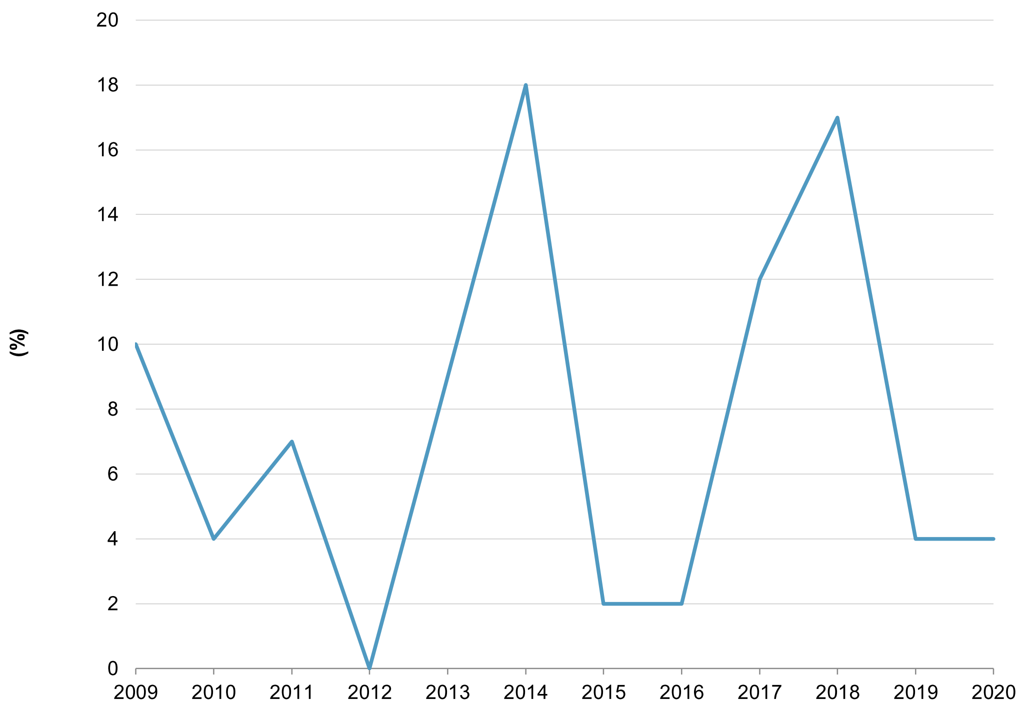


Source: SERVPRO Master Issuer LLC. Data as of Dec. 31, 2020.

In chart 6, the spike in systemwide same-store sales growth in 2014 resulted from a major polar vortex, according Servpro management, while the increase after 2017 was driven by CAPA and RAPA introductions hurricanes.

Chart 6

Historical Systemwide Same-Store Sales Growth/Decline



Source: ServPro Master Issuer LLC.

Franchise area developers

Servpro utilizes franchise area developers that act as recruiters and trainers for new franchisees on its behalf. The services the area developers perform include training, consulting, compliance checks, and other day-to-day franchise support. In return, the area developers receive approximately 20%-60% of gross royalties from their locations as commissions, depending on the services provided.

Servpro believes it is capable of these functions on its own and have executed contracts to convert franchisees currently managed by area developers into franchises it directly manages. These conversions would eliminate the royalties paid to area developers, allowing Servpro to capture incremental royalty payments. Servpro has closed the acquisitions of seven area developers and acquired approximately $13.6 million of retained collections as of Dec. 31, 2020. The company has executed binding reacquisition agreements with the remaining 11 area developers that will provide approximately $24.5 million of retained collections by Dec. 31, 2022.

Collateral

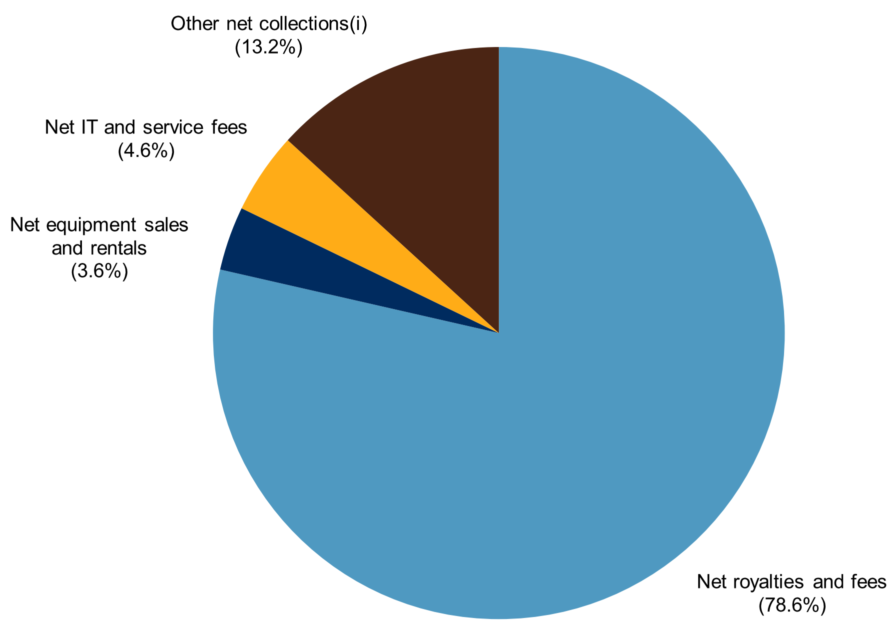
The notes will be secured by a security interest in substantially all of the guarantors' assets and include:

- Contributed and new franchise and development agreements and the related franchisee payments,
- Existing and future product supply contracts relating to vehicles and equipment,
- Securitization intellectual property (IP) and IP license agreements,
- Transaction accounts,
- Contributed and new product supply and related assets,
- Membership interests in the securitization entities, and
- Any interest reserve letter of credit.

Chart 7 illustrates the various cash flow streams' relative initial contributions to the transaction.

Chart 7

Securitized Cash Flow Source



(i)Includes call center income, document restoration income, vendor commissions, franchisee notes payments, and vendor advertising fees, among other payment streams.

Key Credit Considerations

Table 2

Key Credit Considerations

Long operating history	Servpro was founded in 1967. The brand has survived multiple economic downturns and has built a loyal customer base. This supports the likelihood that brand loyalty and recognition (and thus sales) will continue even if Servpro Industries LLC is replaced as the manager.
High franchised percentage	As of Dec. 31, 2020, franchisees operated 100% of Servpro's domestic franchise units. We believe a high franchised percentage provides the transaction with better cash flow stability and independence from the manager than transactions with a lower percentage of franchised units.
Stable performance metrics	Since 2008, the Servpro system has sustained consistent years of positive same-location sales and a compound annual growth rate (CAGR) of approximately 9% CAGR of systemwide sales. The company has over 20 consecutive years of positive systemwide sales growth.

Credit Rating Methodology

Table 3 details our specific conclusions for each of the five analytical steps in our ratings process.

Table 3

Credit Rating Step

Step	Result	Comment
Step 1		
Eligibility analysis	Pass	We believe franchised restoration locations would likely continue to generate cash flow if the manager files bankruptcy because individual franchisees generally operate independently from the manager (aside from their reliance on the manager's SG&A functions, which we believe can be transferred to a backup manager). As long as a brand has sufficient customer loyalty, royalty revenues should remain available to service securitization debt, assuming the assets have been isolated via a true sale to a bankruptcy-remote special-purpose entity. Because we do not believe that substantially all cash flow from the franchise system will be at risk if a manager bankruptcy occurs, our subsequent analysis quantifies the impact of the correlated cash flow decline from the franchise system and compares that to ongoing required interest and principal payments to the rated debt.
Step 2		
Business volatility score (BVS)	4(i)	Servpro's business risk profile assessment is weak. This maps to an unadjusted BVS of '5'(i), which we adjusted upward by one notch to '4' because the cash flow is revenue based and the system has demonstrated stability for more than 30 years.
Cash flow assumptions	See table 4 below	
Minimum base DSCR	1.7x	Principal and interest are fully paid in this scenario.
Anchor	bb+	Determined based on table 1 of our corporate securitization criteria, "Global Methodology And Assumptions For Corporate Securitizations," published June 22, 2017.
Minimum downside run DSCR	1.4x	Principal and interest are fully paid in this scenario.

Table 3

Credit Rating Step (cont.)

Step	Result	Comment
Step 3		
Resiliency score	Satisfactory	Determined based on table 3 of the Corporate Securitization criteria.
Resiliency adjusted anchor	bbb	Determined based on table 4 of the Corporate Securitization criteria.
Step 4		
Modifier analysis	1 notch down	This structure is an outlier from a leverage perspective. However, the anticipated repayment dates and the liquidity and deleveraging triggers are comparable to those of other transactions.
Step 5		
Comparable rating analysis	None	Servpro is in a stable but fragmented industry. It has higher margins than other whole business concepts and is comparable to other nondiscretionary service providers such as ServiceMaster and Driven Brands.

(i)The mappings from BRP to BVS are: excellent = 1; strong = 2; satisfactory = 3; fair = 4; weak = 5; and vulnerable = 6. SG&A--Sales, general, and administrative. DSCR--Debt service coverage ratio. BVS--Business volatility score.

Table 4 shows our cash flow assumptions.

Table 4

Cash Flow Assumptions

	Cumulative decline (%)		
Asset cash flow category	Base case	Downside case(i)	Description
Royalty revenue and fees	0	20	Franchise and company-owned store royalties, which comprise most of the overall projected cash flow, are a function of store count, AUV, and royalty rates. Business consumer services.
All other securitization collections	0	30	All other securitization collections.

(i)For AUV. AUV--Average unit volume.

Sensitivity Analysis

Sensitivity run 1: management fee stress

Using the base-case assumptions outlined in table 4, we determined that the management fee could increase by as much as 297% (equivalent to an approximately 32% reduction in net securitized cash flow relative to the base case) without any impact on the transaction's ability to pay timely interest and full principal payments by the legal final maturity. We believe the additional management fee stresses could occur if Servpro experienced a bankruptcy. While the management fee is outlined in the transaction documents, we believe those fees could be renegotiated in a bankruptcy scenario.

Sensitivity run 2: event-driven stress

Starting with the base-case scenario assumptions, we determined the maximum haircut to cash flow that would allow timely interest and full principal payments by the transaction's legal final maturity date. This haircut to cash flow is approximately 53%. We examined several event risks associated with cash flow losses, including the royalty losses from the top three geographies by store count and from top 10 franchisees. Under these scenarios, our analysis showed that transaction could pay timely interest and full principal by the legal final maturity date.

Sensitivity run 3: Area Developer buyback unsuccessful

In the unlikely scenario that Servpro is unsuccessful in acquiring all the area developer contracts, the net royalties would not be able to support the notes at the 'BBB-' rating level.

Structural Protection Summary

The transaction's structural features and credit enhancements are generally consistent with those of similar recently rated corporate securitizations (see table 5).

Table 5

Structural Features

Test	Result
Rapid amortization DSCR trigger (P&I)	1.20x; system sales less than $1.135 billion.
Cash Sweep DSCR trigger (P&I)	1.75x (50% sweep).
ARD horizon(i)	Seven years.
Scheduled amortization through ARD (%)	1.0%.
Senior leverage ratio nonamortization test (total debt/EBITDA)	5.00x (no scheduled amortization if the holding company leverage ratio is less than or equal to this level.
Manager termination DSCR trigger (IO)	1.20x.
Event-of-default DSCR trigger (IO)	1.10x.
Management fee	The management fee, which includes both fixed and variable components, is a function of retained collections. According to the transaction documents, the fixed component is assumed to be $9.2 million annually, and the variable component is assumed to be $15,550 per $100,000 of retained collections. The management fee is also subject to a 2% annual increase of the fixed component if the increased amount does not exceed 35% of retained collections in the preceding four quarterly collection periods.

(i)Failure to pay the notes in full by their applicable ARDs constitutes a rapid amortization event but not an event of default. Given a rapid amortization event, pro rata rapid amortization will begin for all class A-2 tranches. DSCR--Debt service coverage ratio. P&I--Principal and interest. ARD--Anticipated repayment date. IO--Interest only.

Payment Priority

Following the series 2021-1 issuance, the transaction will include two classes of A-2 notes that will pay interest and principal quarterly from weekly distributions in the priority shown in table 6. The transaction currently doesn't include any senior subordinated or subordinated notes, but it may issue these notes if certain conditions are met.

Table 6

Payment Priority

Priority	Payment
1	Solely for amounts from indemnification, permitted asset dispositions, and insurance and condemnation payments: first to the trustee and then the servicer for unreimbursed advances; then to the manager for any unreimbursed advances; then, if a class A-1note renewal date has occurred or rapid amortization event has occurred and continuing, pay the class A-1 notes; then, pay all other senior notes; then, to the senior subordinated notes, if any; and then to the subordinated notes, if any.
2	To the trustee, then the servicer; then, on and after the 2021 springing amendments implementation date to the back-up manager for unreimbursed advances; then to the manager for unreimbursed advances; and then to the servicer for servicing, liquidation, and workout fees.
3	Successor manager transition expenses, if any.
4	Monthly management fees.
5	Capped securitization operating expense amount; and then, if an event of default has occurred and is continuing, the post-default capped trustee expense amount to the trustee.
6	Interest on the senior notes, the class A-1 note commitment fee amount, and the hedge payments, if any.
7	The capped class A-1 note administrative expense amount.
8	Interest on the senior subordinated notes, if any.
9	The senior note interest reserve account deficiency amount and then the senior subordinated note interest reserve account deficiency amount, if any.
10	The senior notes scheduled principal payment amount, any senior notes scheduled principal payment deficiency amount, and any letter of credit collateralization amounts.
11	Supplemental management fee, if any.
12	On or after any class A-1 notes renewal date, if the class A-1 notes have not been repaid on or before such date, all remaining amounts to the class A-1 notes until their outstanding principal amount is reduced to zero.
13	If a rapid amortization has occurred and is continuing, all remaining amounts to pay down the class A-1 notes, then to pay down the remaining senior notes, and then to pay down any senior subordinated notes.
14	As long as no rapid amortization event has occurred and is continuing, any senior subordinated notes' accrued scheduled principal payment amount, and then senior subordinated notes' scheduled principal payment deficiency amount, if any.
15	Interest on the subordinated notes, if any.
16	As long as no rapid amortization event has occurred and is continuing, any subordinated notes' accrued scheduled principal payment amount, and then senior subordinated notes' scheduled principal payment deficiency amount, if any.
17	If a rapid amortization has occurred and is continuing, all remaining amounts to pay down the subordinated notes, if any.
18	If a cash flow sweeping event has occurred, to the class A-2 and A-1 notes, pro rata, the lesser of the cash flow sweeping percentage of the available funds after items 1-17 in the payment waterfall are paid in full, and the aggregate class A-1 and A-2 outstanding balance.
19	Uncapped securitization operating expenses.

Table 6

Payment Priority (cont.)

Priority	Payment
20	Uncapped class A-1 note administrative expenses amounts.
21	Class A-1 note other amounts.
22	After the ARD, post-ARD contingent interest on the senior notes.
23	After the ARD, post-ARD contingent interest on any senior subordinated notes.
24	After the ARD, post-ARD contingent interest on any subordinated notes.
25	Hedge termination payments and any other unpaid hedge amounts, pro rata.
26	Any unpaid make-whole prepayment considerations.
27	Any remaining funds at the direction of the master issuer.

Surveillance

We will maintain active surveillance on the rated notes until the notes mature or are retired. The purpose of surveillance is to assess whether the notes are performing within the initial parameters and assumptions applied to each rating category. The transaction terms require the issuer to supply periodic reports and notices to S&P Global Ratings for maintaining continuous surveillance on the rated notes.

We view Servpro's performance as an important part of analyzing and monitoring the performance and risks associated with the transaction. While company performance will likely affect the transaction, we believe other factors, such as cash flow, debt reduction, and legal framework, also contribute to our overall analytical assessment.

Related Criteria

- Criteria | Structured Finance | General: Global Framework For Payment Structure And Cash Flow Analysis Of Structured Finance Securities, Dec. 22, 2020
- Criteria | Structured Finance | Legal: U.S. Structured Finance Asset Isolation And Special-Purpose Entity Criteria, May 15, 2019
- Criteria | Structured Finance | General: Counterparty Risk Framework: Methodology And Assumptions, March 8, 2019
- Criteria | Structured Finance | ABS: Global Methodology And Assumptions For Corporate Securitizations, June 22, 2017
- Criteria | Structured Finance | General: Global Framework For Assessing Operational Risk In Structured Finance Transactions, Oct. 9, 2014
- Criteria | Structured Finance | General: Criteria Methodology Applied To Fees, Expenses, And Indemnifications, July 12, 2012
- General Criteria: Global Investment Criteria For Temporary Investments In Transaction Accounts, May 31, 2012
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