

FRANCHISE DISCLOSURE DOCUMENT



West Sanitation Services, Inc.
A Delaware Corporation
d/b/a AeroWest and AeroWest International
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Baton Rouge, Louisiana 70806
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Our franchisees provide deodorizing services in personnel or customer traffic zones as well as restroom odor control services by installing and servicing high quality branded odor control systems in plants, hospitals, offices, government and municipal buildings, and various other commercial locations under the “AeroWest” trademarks and operating system (each an “**AeroWest business**”).

The total investment necessary to begin operation of an AeroWest business under an AeroWest Franchise Agreement is \$35,200 to \$91,300. This amount includes \$25,000 that is payable to us. If you purchase a franchise in an area in which we have existing customer accounts that you want us to assign to your AeroWest business, you must pay an additional upfront Existing Account Assignment Fee to us in an amount equal to 38% of the aggregate annual billings of those existing customer accounts. See Item 5 for details.

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 us or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this disclosure 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 Paul Pittman, Chief Financial Officer; 2158 Beaumont Drive, Baton Rouge, LA, 70806; paul.pittman@aerowest.com and 225-302-5570.

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read your entire contract carefully. Show your contract and this disclosure document to an advisor, 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.

The issuance date of this Franchise Disclosure Document is May 1, 2023.

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit F.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit A 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 AeroWest 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 an AeroWest franchisee?	Item 20 or Exhibit F 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 D.

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 us by litigation only in the federal or state court having jurisdiction where our principal offices are located at the time suit is filed, which is currently in Louisiana. Out-of-state litigation may force you to accept a less favorable settlement for disputes. It may also cost more to litigate with us in Louisiana 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.

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ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language used in this disclosure document, “we,” “us,” and “our” mean West Sanitation Services, Inc., the franchisor. “You” or “your” means the person or legal entity who buys the franchise. If you are a corporation, a partnership or a limited liability company, certain provisions of this disclosure document also apply to your owners and will be noted.

The Franchisor

West Sanitation Services, Inc. is a Delaware corporation incorporated on December 23, 1983. We do business under the names AeroWest and AeroWest International. We do not conduct business under any other name. Our current principal business address is 2158 Beaumont Drive, Baton Rouge, LA 70806. Our agents for service of process are listed in Exhibit D. We have operated AeroWest businesses and offered franchises for those business since December 1983. As of December 31, 2022, we operated 17 company-owned AeroWest businesses and there were 22 franchised AeroWest businesses in operation. We have not offered franchises in any other line of business and we have not conducted business in any other line of business.

Our Parent, Affiliates, and Predecessors

We do not have a parent company. We do not have any predecessors or affiliates that must be disclosed in this disclosure document.

The AeroWest Business Franchise

Each AeroWest business is assigned a specified non-exclusive geographic area (“**Route**”) in their Franchise Agreements within which they will provide deodorizing services in personnel or customer traffic zones as well as restroom odor control services by installing and servicing high quality branded odor control systems for their customers (“**Accounts**”) in plants, hospitals, offices, government and municipal buildings, and various other commercial locations. AeroWest businesses will develop new Accounts, perform demonstrations for prospective Accounts, install AeroWest, Odo-San, Wiseair and Westair branded odor counteractant dispenser systems, and, if they wish, sanitize restroom fixtures. AeroWest businesses normally operate out of home offices and service Accounts located within a reasonable driving distance. You may purchase a franchise in an area in which we have existing Accounts that we may assign to your AeroWest business.

AeroWest businesses operate according a distinctive format, appearance, and set of specifications and operating procedures (the “**System**”). We identify the System by means of the “AeroWest” name and mark and certain other names, marks, logos, insignias, slogans, emblems, symbols and designs (collectively, “**Trademarks**”) that we have designated, or may in the future designate, for use with the System. The System includes our brand standards, unique drip dispensing, air circulation and other odor control systems, deodorizing and cleaning methods, policies and procedures for the selection of deodorizing equipment, chemicals and materials, pricing guidelines, employee qualifications and training, Account sales and service programs, business administration support services, technology systems and assistance with advertising, promotion, public relations, and social media programs all of which we may change, improve and further develop over time. Our mandatory and recommended standards, policies and procedures are represented in our confidential and proprietary operations manual (the “**Manual**”), which we will make available to you during the term of your Franchise Agreement. We will loan you one copy of the Manual for the term of your franchise. We retain the right to change the Manual and the elements of the System periodically.

In order to enable our franchisees to concentrate on sales and service activities for their franchised AeroWest business, we provide our franchisees with business administration support services. We issue service tickets, reports, billings, and receivables statements to Accounts and we perform collections (except

for C.O.D.s as provided below) and pay certain other tax and administration duties on behalf of our franchisees. Each week we furnish our franchisees with electronic service tickets and reports for each of their Accounts and summary reports for the week. We will also send our franchisees a monthly accounting statement of income and expenditures and an annual IRS Form 1099.

We will send our franchisees all revenues due for services performed by their AeroWest business at the end of every four- or five-week accounting period ("**Settlement Period**") after deducting our Business Administration Fees (see Item 6) and any other amounts owed to us. At the end of each such Settlement Period, we will: (1) adjust the total Gross Billings (as defined in Item 6) contracted for by Accounts for such Settlement Period by deducting missed services, cancelled Accounts and other changes and by adding new Accounts, services carried over from prior weeks, etc.; (2) deduct therefrom all Business Administration Fees (as defined in Item 6), all other monies owed to us, and all refunds, chargebacks, credits and allowances given to Accounts; and (3) transmit the balance owing following such adjustments. Our franchisees collect and remit to us all C.O.D. charges for services rendered on a weekly basis by personal check or money order, and we deduct the Business Administration Fees for these charges from monies due to our franchisees at the end of each Settlement Period.

Industry-Specific Laws

We are not aware of any laws applicable to an AeroWest business that would not apply to deodorizing and odor control businesses generally. You will be required to comply with all federal, state and local laws and regulations that generally apply to these businesses. These include the Americans with Disabilities Act; Affordable Care Act, Fair Labor Standards Act; EEOC; OSHA; Gramm-Leach-Bliley Act; The Patriot Act; Federal Truth in Lending and other laws dealing with credit transactions and collections; Digital Millennium Copyright Act; regulations governing MMS, SMS, emails and telemarketing; the payment of license fees; general business rules and regulations; and, any advertising or content related rules and regulations. You must obtain any permits and licenses required by the jurisdiction in which you operate your AeroWest business. It is your responsibility to investigate, satisfy and stay current on all local, state, and federal laws and regulations since they vary from place to place and can change over time. You should consult with your attorney concerning these and other laws and ordinances that may affect your operations.

Market and Competition

There is a growing market for deodorizing and odor control services. The market for your services will primarily be hospitals, nursing homes, hotels, arenas and stadiums, convention centers, office buildings, and government and municipal buildings. You will compete with specialty cleaning companies offering similar services and with organizations that use their own employees to deodorize their facilities. You may also compete with specialized cleaning and odor control companies and other company-owned or franchised AeroWest businesses. The success of your AeroWest business may be impacted by many factors including local economic and market conditions, your experience and business knowledge, competition, the geographic area in which your business is located, the sales level you reach during the initial period of operation and your ability to retain Accounts, quality of service, employee attitudes, overhead, changing local market and economic conditions, and many other factors both within and outside your control.

ITEM 2 BUSINESS EXPERIENCE

President and Chief Executive Officer: Dr. Maria Bhacca

Dr. Bhacca has served as our President since July 2022 and Chief Executive Officer since April 2016. From May 2014 to April 2016, she served as our President and from January 2011 to May 2014 she served as our Executive Vice President.

Chief Financial Officer: Paul Pittman

Mr. Pittman has served as our Chief Financial Officer since July 2013.

Chief Operating Officer: Monica Gayle

Ms. Gayle has served as our Chief Operating Officer since May 2020. She served as our Operations Manager from January 2016 to May 2020. She served as our Accounts Receivable Supervisor, Administrative Support Manager and Service Manager from May 2012 to December 2015.

Owner: Ben J. Elder

Mr. Elder is one of our owners who serves on an ad hoc basis since his retirement in July 2022. Mr. Elder served as our President from April 2016 to July 2022. He served as our President and Chief Executive Officer from January 2010 to April 2016.

**ITEM 3
LITIGATION**

No litigation is required to be disclosed in this item.

**ITEM 4
BANKRUPTCY**

No bankruptcy is required to be disclosed in this item.

**ITEM 5
INITIAL FEES**

Initial Franchise Fee

When you sign the Franchise Agreement, you will pay an initial franchise fee in the amount of \$25,000 ("**Initial Franchise Fee**"). We will supply the following startup package of inventory items to you as a part of the payment of the Initial Franchise Fee:

Apparel & Marketing Pack

- 2 AeroWest branded polo-type shirts
- AeroWest identification badge and lanyard
- 20 catalogue brochures
- 1 x set of 500 business cards
- 1 x Fragrance kit of current fragrance range
- 1 x Fragrance brochure
 - 1 x Suggested Selling Price List

Dispensers

- 5 x WiseAir Active Fans (3 White, 2 Chrome)
- 5 x WiseAir Select Active Fans (3 White, 2 Chrome)
- 5 x OdoSan Drip Systems (3 White, 2 Chrome)
- 5 x AeroWest Drip Systems
- 2 x WestAir Nebulizers (1 White, 1 Black)
- 1 x OdoX Case
- 6 x AeroFresh Urinal Screens (Assorted fragrances)
- 6 x AeroFresh Urinal Floor mats
- 6 x AeroFresh Commode Floor mats

- 6 x AeroFresh Double Toilet Bowl Clips (Assorted fragrances)
- 6 x AeroFresh Passives (Assorted fragrances)
- 3 Drain Valves (different sizes)
- 1 x Alco Cleanse dispenser
- 1 x Hand Soap Dispensor
- 1 x Hand Sanitizer Dispensor

Fragrances & Fluids

- 8 quarts of AeroWest / OdoSan selected fragrance (Assorted fragrances)
- 2 x 16 cases of Dry Cartridges for WiseAir and Select Active Fans (Assorted fragrances)
- 1 x 16 case of Dry Cartridges for WiseAir for hand-filling (No Fragrance for trial use)
- 12 x 4 oz. Bottles of WestAir Nebulizer Oils (10 Assorted fragrances and 2 Odoff)
- 6 x OdoX Microcells
- 2 x AlcoCleanse Refills
- 2 x Pints of Hand Soap
- 2 x Pints of Hand Sanitizer
- 2 x Pints of Refresh Drain Fluid

Quick Service Software Package

- For use on mobile devices
- Training on the software package

The Initial Franchise Fee is payable in one lump sum, is fully earned when paid and is not refundable. In our last fiscal year, we did not modify the Initial Franchise Fee for any franchisees.

Existing Account Assignment Fees

If you purchase a franchise in an area in which we have existing Accounts that we assign to your AeroWest business, you must pay an additional upfront assignment fee to us in an amount equal to 38% of the aggregate Annualized Gross Billing Value of those existing Accounts. ("**Existing Account Assignment Fee**"). The "**Annualized Gross Billing Value**" for each existing Account is calculated as the greater of the Account's actual annual billing for the past 12 months or 13 times the Account's then-current contractual billing rate for a four-week period (no matter whether we bill the Account annually or on a four-week basis). The Existing Account Assignment Fee is payable in full upon the execution of the Franchise Agreement. Please see Item 10 for financing options for the Existing Account Assignment Fee. Existing Account Assignment Fee is fully earned when paid and is not refundable. We may offer financing of up to 70% of the Existing Account Assignment Fees for a period of up to three years. See Item 10.

In our last fiscal year, for one multi-unit franchisee, we waived the Existing Account Assignment Fee, we permitted the franchisee to work the accounts for three months without compensation in lieu of paying the Existing Account Assignment Fee, and we charged a higher fee as set forth in the particular Franchise Agreement.

**ITEM 6
OTHER FEES**

Type of Fee¹	Amount	Due Date	Remarks
Business Administration Fee	32% of Gross Billings	We deduct this fee from the amounts we pay you at the end of each Settlement Period	Includes the following fees: <u>Royalty</u> – 5.5% of Gross Billings; <u>administration, billing and collections</u> – 19% of Gross Billings; <u>marketing</u> – 5% of Gross Billings; <u>technology support/research and development</u> – 2.5% of Gross Billings. See Note 2 for an explanation of Gross Billings and our billing process.
New Account Assignment Fee	38% of the Annualized Billing Value of each new Account assigned	We deduct this fee from the amounts we pay you at the end of each Settlement Period	Payable only if you accept our offer to assign you certain new Account orders, contracts and agreements in your Route. We may offer you financing of up to 70% of this fee for a period of up to 3 years. See Item 10.
Enforcement Expenses	Reasonable cost of our attorneys' fees and expenses	Upon demand	Payable if we obtain injunctive or other relief for the enforcement of any term of the Franchise Agreement.
Indemnification	Will vary under circumstances	As incurred	You must reimburse us if we incur any expense, including attorneys' fees and other costs, or are held liable for claims arising out of the operation of your AeroWest business.
Reimbursement of Insurance Costs	\$500 to \$3,500	Upon demand (or we will deduct from amounts we owe you)	If you fail to procure or maintain the required insurance, we may procure the insurance and charge its cost along with our out-of-pocket expenses to you. See Item 8 for additional details.
Reimbursement of Amounts Paid on Your Behalf	Our out-of-pocket costs	Upon demand (or we will deduct from amounts we owe you)	You must reimburse us for all amounts advanced by us, or which we have paid, or for which we have become obligated to pay on your behalf.

Type of Fee ¹	Amount	Due Date	Remarks
Products and Supplies	Our cost for the item plus an administrative fee, which shall not exceed 20% of the cost of the item	Upon demand (or we will deduct from amounts we owe you)	You must buy the AeroWest, Odo-San, Wiseair and Westair Dispensers and proprietary odor counteractants from us. The administrative fee is designed to cover our inventory and distribution expenses and typically ranges from 15-20% of the cost of the item. See Item 8.
Renewal Fee	\$500	When you sign renewal Franchise Agreement	Payable if you renew your Franchise Agreement.
Taxes	Our expenses	Upon demand (or we will deduct from amounts we owe you)	You must reimburse us for any taxes, fees or assessments imposed on us for acting as franchisor or licensing the Trademarks.
Temporary Management Fee	15% of Gross Billings for the period of operation, plus all expenses	Upon demand	Payable if we choose to operate your AeroWest business when your Managing Owner is ill or otherwise unable to operate it personally. See Item 15.
Transfer Fee	\$3,000 if Gross Billings for the 12 months preceding the transfer were less than or equal to \$100,000, and \$5,000 if Gross Billings for the 12 months preceding the transfer were greater than \$100,000	At the time of transfer	We have the right to approve all transfers. All transferees must complete our then-current initial training program. Your buyer must pay a \$2,500 transferee training fee. See Items 11 and 17.

NOTES

- [1] Unless otherwise noted, all fees are imposed by and payable to us and are non-refundable. Generally, all fees are uniformly imposed on our franchisees, however, in certain unique circumstances, we may reduce or waive a fee for a particular franchisee for a limited period of time.
- [2] **"Gross Billings"** means the amount of all Account charges, including charges for labor and materials, billed by us on your behalf from, through, by or on account of the operation of your franchised AeroWest business. There shall be deducted from Gross Billings for purposes of this computation the amount of all sales tax receipts or similar tax receipts which, by law, are chargeable to Accounts.

At the end of each Settlement Period, we will: (1) adjust the total Gross Billings contracted for by your Accounts for the Settlement Period by deducting missed services, canceled Accounts and other changes, and adding new Accounts, services carried over from past weeks, etc.; (2) deduct all Business Administration Fees, all other money you owe, and all refunds, chargebacks, credits and allowances you gave to Accounts; and, (3) send you the balance owing to you following these adjustments.

As long as you submit service receipts (work tickets) on time, we will bill your Accounts upon receipt of your Account signed service receipt (work ticket).

You must collect all C.O.D. charges for your services and send them to us on a weekly basis by personal check or money order, and we will deduct the Administration, Trade Shows, Regional Support, telemarketing, and Royalty Fees for these charges from payments due you at settlement.

As a service to you, we will handle collection efforts for your Accounts on your behalf at no additional cost to you. You must use your best efforts to support our account receivable efforts in collecting monies after invoicing Accounts. Typically, we remit payment on an Account invoice to you in the next Settlement Period after the Account is billed and prior to receipt of payment from the Account. If our and your efforts are unsuccessful in collecting the owed monies, in whole or in part within 90 days after invoicing, we will have the right to deduct the full Gross Billing amount that we previously paid to you that is attributable to the Account from money we otherwise owe you, without having to wait for the eventual success or failure of your collection attempts. Accounts receivable collection efforts may continue. Should the collection effort eventually prove successful, we will credit back the required amount to you in the next Settlement Period.

ITEM 7
ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT

Nature of Expenditure	Amount (Low)	Amount (High)	Method of Payment¹	When due	To Whom Paid
Initial Franchise Fee ²	\$25,000	\$25,000	Lump sum	When signing Franchise Agreement	Us
Real Estate and Leasehold Improvements ³	\$0	\$18,000	As arranged	As incurred	Contractors, lessors, vendors
Storage Space ⁴	\$0	\$2,000	As arranged	As incurred	Lessor
Furnishings, Office Equipment and Supplies ⁵	\$500	\$2,000	As arranged	As incurred	Vendors
Vehicle/ Transportation ⁶	\$0	\$20,000	As arranged	As incurred	Vendors
Uniforms ⁷	\$100	\$300	As arranged	As incurred	Us
Permits and Licenses ⁸	\$100	\$500	As arranged	As incurred	Government agencies

Nature of Expenditure	Amount (Low)	Amount (High)	Method of Payment ¹	When due	To Whom Paid
Insurance ⁹	\$500	\$3,500	As arranged	As incurred	Insurance companies or Us
Additional Funds And Working Capital (1 year) ¹⁰	\$9,000	\$20,000	As arranged	As incurred	Us and Vendors
TOTAL ESTIMATED INITIAL INVESTMENT ¹¹	\$35,200	\$91,300			

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- [1] Method of Payment. Costs paid to us are not refundable. Whether any costs paid to third parties are refundable will vary based on the practice in the area where your AeroWest business is located.
- [2] Initial Franchise Fee. The manner in which the Initial Franchise Fee is paid is explained in detail in Item 5. If you acquire existing Accounts when you purchase your franchise, you will also pay an Existing Account Assignment Fee for those Accounts as described in Item 5. We may offer financing for your Existing Account Assignment Fee. See Item 10.
- [3] Real Estate, Leasehold Improvements. We do not require you to maintain a base of operations or office. Since we expect that most franchisees will work out of their homes, franchisees are unlikely to have any start-up costs for real property, leasehold expenses and security deposits; and remodeling and leasehold improvement costs. However, if you choose to maintain an office outside your home, it will be most economical for you to rent a small office in an existing office suite which provides you with support services, office furniture and equipment. While real estate values vary dramatically from region to region and we cannot estimate your leasehold expenses for such an office with accuracy, the figures included in the table estimate rental costs for an office of approximately 110 square feet in an office suite of this type in the Los Angeles, California area for a one-year period.
- [4] Storage Space. You will need approximately 24 square feet of storage space to store your supplies and equipment. Most franchisees store their supplies and equipment at their offices and will not incur any additional storage space expenditures. If you have no storage space available in your home office or rental office, you may need to rent public storage space. This estimate includes the cost to lease a small public storage space for a one-year period.
- [5] Furnishings, Office Equipment and Supplies. Most franchisees already possess a desk, chair, computer, three-in-one printer, smartphone and basic office supplies such as pens and paper. The estimate shows the range of costs to acquire these items for your AeroWest business. If you rent an office in an office suite, the office may already include some or all of these items as part of the rent.
- [6] Vehicle/Transportation. You need access to a vehicle to service your Accounts. If you already own a vehicle, you will not need to incur any additional expenses to acquire a vehicle. If you need to purchase a used vehicle with about 50,000 miles for transportation, you can expect to spend approximately \$20,000.

- [7] Uniforms. For Account security and on site identification purposes, as well as our branding requirements, when servicing the Accounts, you need to provide AeroWest branded uniforms for yourself and your employees for representation in front of Accounts at all times along with a visible AeroWest name badge with a recent photograph. We provide certain uniform items to you with your startup package (See Item 5 above). You also can purchase additional AeroWest branded clothing directly through our online form.
- [8] Permits and Licenses. This estimate includes the professional fees and costs to set up a business entity, register a trade name (d/b/a) and obtain all necessary licenses, permits and other required forms of governmental approval to operate an AeroWest business.
- [9] Insurance. The estimate includes the cost to obtain insurance for an AeroWest business for a one year period.
- [10] Additional Funds And Working Capital (1 year). The estimate of additional funds for the initial phase of your business is based on your operating expenses for the first year of operation. These expenses include additional dispensers and the products you need to service these dispensers. They do not include traditional business administration expenses since we provide those services for you.
- [11] Total Estimated Initial Investment. In compiling these estimates, we relied on our management team's over 100 years of combined experience in operating deodorizing and odor control service business. You should review these figures carefully with a business advisor before making any decision to purchase the franchise.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

In order to protect our reputation and goodwill and to maintain high standards of operation under the System, you must operate your AeroWest business in strict conformance with our System standards, including the methods, standards, and specifications we prescribe from time to time in the Manual or otherwise in writing. The System standards may relate to any aspect of the appearance, function, cleanliness, and operation of an AeroWest business.

Products, Services and Suppliers

You must offer and sell all products, chemicals, equipment and services which are a part of the System, and all other services which may in the future be incorporated into the System. You may not offer or sell any service or product which is not a part of the System. We may require you to discontinue the offering and sale of any program or service or the use of any product, equipment, chemicals, supplies, materials or service, which, in our opinion, does not conform to the technical, quality, ethical, visual, olfactory or other standards or specifications established by us.

To provide deodorizing and odor control services of the highest quality, to guarantee uniformity of concept and quality, and to protect our trade secrets, you are required to purchase from us and to utilize all dispensers and other proprietary chemicals and all related products, services and equipment which now comprise, or in the future may comprise, a part of the System which were developed by, are proprietary to or kept secret by us. These items include our proprietary AeroWest, Odo-San, Wiseair and Westair Dispensers and proprietary odor counteractants. We own the dies for the molding of the AeroWest, Odo-San, Wiseair and Westair Dispensers used in the odor control services and we use proprietary molders to mold the dispensers. You must purchase these items from us at our actual cost plus our administrative fee to cover our inventory and distribution expenses, which will not exceed 20% of the cost of the item in question. We will deduct and pay ourselves the charge for these items from charges we collect from your Accounts for services you perform.

You must purchase all non-proprietary cleaners, disinfectants, chemicals, supplies, uniforms and other materials, products and services used in the operation of your AeroWest business in accordance with our specifications and quality standards and, if applicable, only from suppliers we have designated or approved (which may be us). If you purchase any of these items from us, you will pay our actual cost for the item plus our administrative fee to cover our inventory and distribution expenses, which will not exceed 20% of the cost of the item in question. We will deduct and pay ourselves the charge for these items from charges we collect from your Accounts for services you perform.

If we require you to use an approved supplier for a particular item, but you wish to purchase the item from a supplier that we have not approved, you may submit a written request for approval of the supplier together with a sample and specifications for the product in question. The supplier must demonstrate to our reasonable satisfaction that it is able to supply the product to you meeting our standards and specifications. We have the right to test and analyze the proposed product at our expense, regardless of whether we subsequently approve or reject such supplier and product. If we approve, deny or revoke approval of any supplier, we will give you written notice thereof. In order for us to adequately test certain products' performance over time, it may be necessary for the testing period to take some time before we can render our approval or disapproval. We will make our supplier review criteria available to you upon request. Our typical review process takes 30 to 60 days to complete.

Several of our officers own an interest in West Sanitation Services, Inc. None of our officers have any ownership or interest in any other approved suppliers.

We currently do not negotiate any purchase arrangements with suppliers for the benefit of our franchisees. There are no purchasing or distribution cooperatives for the System. We do not provide you with any material benefits (such as renewal or granting additional franchises) based on your use of designated or approved suppliers. We do not currently receive any payments from any supplier, nor do we receive any special discount on purchases from any supplier for ourselves.

We estimate that you will purchase 20% to 25% of the products that are necessary to establish your AeroWest business from approved suppliers that are subject to our standards and specifications. After you open your AeroWest business, we estimate that you will purchase 90% to 95% of the products that are necessary to operate your AeroWest business from approved suppliers that are subject to our standards and specifications.

Business Administration Services

You are required to use our business administration support services. We will issue service tickets, reports, billings, and receivables statements to Accounts and perform collections (except for C.O.D. Accounts, which you will handle) and certain other tax and administration duties on behalf of your AeroWest business. Each week we shall furnish you with electronic service tickets and reports for each of your Accounts and summary reports for the week. In addition, we shall send you a periodic accounting statement of income and expenditures and an annual Form 1099. We shall send you all revenues due for services performed by your AeroWest at the end of every Settlement Period, after deducting the Business Administration Fees and any other amounts owed by you to us. To enable us to perform these services, each week you are required to send to us all written information required by us on the forms that we prescribe; exact copies of all new orders and contracts secured by you; service receipts and, any other information and records we reasonably require. You must electronically submit such information and records for the last service week (ending the previous Saturday) by Monday of the following week.

Technology Systems

You will need to purchase, install, and use a personal computer, a three-in-one printer/scanner/copier and a smart phone; however, we do not specify a particular brand, make, or model of these items.

Insurance

You must at all times maintain all necessary insurance, including adequate worker's compensation, and employer's liability insurance, unemployment insurance and state disability insurance where applicable; broad form comprehensive general liability coverage, broad form contractual liability and product liability coverage of at least \$1,000,000 per occurrence and \$2,000,000 aggregate (with no deductible or self-insured retention over \$5,000); and, automobile liability insurance, if applicable, with a combined single limit of at least \$300,000. We can change the required minimum standards and limits of insurance. Valid and current certificates of insurance must be submitted to us for record keeping purposes at all times. Should any changes occur with respect to personnel or insurance documentation, you must provide us with the updated documentation within 10 business days of the change.

Your insurance policies must name us and our affiliates as additional named insured and provide that the coverage afforded applies separately to each insured against whom a claim is brought as though a separate policy had been issued to each insured (except for the worker's compensation and employer's liability insurance, unemployment insurance and state disability insurance). The policies must be primary to and without right of contribution from any other insurance purchased by the additional named insureds. You may not reduce the policy limits, restrict coverage, cancel or otherwise alter or amend your insurance policies without our written consent. If you fail to procure and maintain the required insurance coverage, we may obtain coverage on your behalf (at our election) and require you to reimburse for the costs of the coverage.

Our Revenues from Franchise Purchases of Products and Services

Our total revenues for the fiscal year ended December 31, 2022 were \$4,319,073. Our total revenues from franchisee purchases of proprietary and non-proprietary items for the fiscal year ended December 31, 2022 were \$251,391 or 5.8% of our total revenues. Our total revenues from Business Administration Fees for the fiscal year ended December 31, 2022 were \$1,045,394 or 24.2% of our total revenues. Our total revenues from franchisee liability insurance premiums for the fiscal year ending December 31, 2022 were \$9,582 or 0.22% of our total revenues. We no longer facilitate or procure franchisee insurance premiums.

ITEM 9 FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Item in Disclosure Document
a. Site selection and acquisition/lease	Not applicable	7
b. Pre-opening purchases/ leases	4.01, 7.06	5, 7, 8 & 11
c. Site development and other pre-opening requirements	Not applicable	Not applicable
d. Initial and ongoing training	V	11
e. Opening	6.01	11

Obligation	Section in Franchise Agreement	Item in Disclosure Document
f. Fees	IV	5 & 6
g. Compliance with standards and policies/Operating Manual	6.04 & 7.02	8, 11, 15 & 16
h. Trademarks and proprietary information	X & XIII	13 & 14
i. Restrictions on products/ services offered	7.06 – 7.09	16
j. Warranty and guest service requirements	7.10 – 7.11	Not applicable
k. Territorial development and sales quotas	2.01 & 7.11	12
l. Ongoing product/service purchases	7.06 – 7.09	8
m. Maintenance, appearance and remodeling requirements	Not applicable	Not applicable
n. Insurance	9.02	6, 7 & 8
o. Advertising	7.17	11
p. Indemnification	9.01	6
q. Owner's participation/ management/staffing	7.04	15
r. Records and reports	4.03	8
s. Inspections and audits	7.03	11
t. Transfer	XI	17
u. Renewal	3.02	17
v. Post-termination obligations	XV	17
w. Non-competition covenants	X	17
x. Dispute resolution	XXI	17

ITEM 10 FINANCING

Except as disclosed below, we do not generally offer any direct or indirect financing to franchisees. We do not guarantee your notes, leases or other obligations.

We may offer you the right to purchase additional Accounts from us at a value of 38% of the annual gross billing. Should you choose to acquire existing Accounts from us when you purchase your franchise or to acquire additional Accounts if they become available after you purchase your franchise, we may consider offering financing, depending on the Account value, for up to 70% of the Existing Account

Assignment Fees and/or New Account Assignment Fees that you are required to pay for a maximum period of three years at an annual interest rate of 10%. We will not take a security interest in any of your assets under the Promissory Note. If the Promissory Note is signed by a business entity, we will require a personal guarantee signed by the owners of the entity. You can pre-pay the Promissory Note without penalty. If you default on your obligations to pay the Promissory Note, if fail to cure a default of the Franchise Agreement or any other agreement with us or our affiliates, if you file bankruptcy, are insolvent, or are dissolved, we may accelerate all principal and accrued interest due under the Promissory Note. You must pay all collection costs, including reasonable attorneys' fees and expenses that we incur. The Promissory Note does not require you to waive defenses or other legal rights or bar you from asserting a defense against us. We do not intend to sell, assign or discount to a third party all or any part of the financing arrangement. A copy of the Promissory Note is attached to this disclosure document as Exhibit C.

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, West Sanitation Services, Inc. is not required to provide you with any assistance.

Our Obligations Prior to Opening:

Before you open your AeroWest business, we will:

- [1] Designate your non-exclusive Route in Section 2.01 of the Franchise Agreement. See Item 12. (Franchise Agreement, Section 2.01)
- [2] If applicable, identify any existing Accounts in Exhibit C to the Franchise Agreement that we will assign to you in exchange for the payment of the Existing Account Assignment Fee at the time you sign the Franchise Agreement. We will also give you information about the services we have been providing to any existing Accounts assigned to you, and copies of contracts, correspondence, payment records and any other information about these Accounts. We will supply equipment to you at no charge for you to replace or repair any broken or damaged dispensers at these service locations. We have no obligation to assign you any specific number of existing Accounts, or any existing Accounts at all. (Franchise Agreement, Sections 2.01, 4.02, 6.01 and 6.02)
- [3] Provide you with the startup package of inventory. (Franchise Agreement, Section 4.01)
- [4] Provide our initial training program to you as described later in this Item 11. (Franchise Agreement, Section 5.01).
- [5] Lend you copies of the Manual before the initial training program (described below). The Manual is confidential and remains our property. The table of contents for the Manual appears in Exhibit G of this disclosure document. As of the issuance date of this disclosure document, the Manual contains 276 pages. (Franchise Agreement, Section 6.04)

Opening Your Business

After we sign the Franchise Agreement, you must commence operating your AeroWest business within the number of days specified in your Franchise Agreement, which varies depending on the number of existing Accounts, if any, you receive from us. (Franchise Agreement, Section 6.01). If you have not received any existing Accounts from us, you will be required to work with us to schedule meetings with potential Accounts and will open as soon as you begin servicing the first Account you obtain. We estimate that the typical length of time between the signing of the Franchise Agreement and the opening of your AeroWest business is no more than 30 days. Factors affecting this time frame include scheduling your attendance at our initial training program (if we require you to attend the initial training program before

opening), arranging for any financing, complying with local ordinances, and delivery of equipment, supplies and opening inventory.

Continuing Obligations

During the operation of your AeroWest business, we will:

- [1] Promote the AeroWest business to new Accounts for AeroWest services and offer to assign you any Accounts we sign up in your Route whom we believe you can properly service. You do not need to accept any new Accounts that we suggest. (Franchise Agreement, Sections 4.03 and 6.02)
- [2] Provide you with administrative support services as described in Item 5. (Franchise Agreement, Section 4.03)
- [3] Provide you with sales leads and set appointments with potential Accounts. (Franchise Agreement, Section 4.04)
- [4] Provide sales support assistance to help improve your sales and servicing techniques, telephone marketing, general operating procedures, and any other assistance reasonably necessary to conduct your AeroWest business. Our representatives may render such sales support assistance on-site, off-site, telephonically or through other communication devices. (Franchise Agreement, Section 5.03)
- [5] Provide periodic training information regarding new products, service and sales concepts. (Franchise Agreement, Section 5.04)
- [6] Provide you electronically with order forms, account and remittance report forms, initial issuance of brochures and other forms and printed materials. (Franchise Agreement, Section 6.05) We will provide you at no charge with an initial supply of brochures and with a reasonable number of brochures on an on-going basis, but if you need a large number of brochures (for a mass mailing, for example), you may order them from us and you must pay for our costs to produce the brochures.
- [7] Grant you the right to use new technology, products, services, systems, techniques, procedures and methods for your AeroWest business that we develop and incorporate into the System and the opportunity to purchase from us any System products, equipment, chemicals and materials incorporating such new technology, products, services, systems, techniques, procedures or methods. (Franchise Agreement, Section 6.06)
- [8] Relay market related selling prices for your services; however, you will set your own prices for products and services that you offer. (Franchise Agreement, Section 7.13).
- [9] Negotiate contracts with certain National Accounts. **"National Accounts"** are Accounts such as large corporations, hospital chains, federal, state and local governmental agencies and any other Account not confined to your Route. If you elect to service a National Account in your Route, you may be required to offer your services at the prices that we negotiated for that National Account and those prices may periodically be adjusted. (Franchise Agreement, Sections 2.03.C. and 7.13)
- [10] Periodically inspect your AeroWest business operations by visiting your Account locations to determine compliance with the Franchise Agreement, the Manual, policies, procedures, programs, standards, specifications and techniques. (Franchise Agreement, Section 7.03)
- [11] Supply you with those dispensers and other proprietary chemicals and all related products, services and equipment which now comprise, or in the future may comprise, a part of the System which were developed by, are proprietary to or kept secret by us. (Franchise Agreement, Section 7.06)

- [12] Furnish you with any specifications for equipment, chemicals, uniforms, products and services. (Franchise Agreement, Section 7.07)

Training

Prior to the opening of your AeroWest business, we will offer and your Managing Owner will be required to attend and successfully complete our initial training program to our satisfaction. If your Managing Owner will not oversee the day-to-day business operations, you must designate an Authorized Manager who also must attend and successfully complete the initial training program. The cost for the initial training program for one individual is fully included in the Initial Franchise Fee. Our three week initial training program will occur in three phases:

- Week 1 – Classroom Training
- Week 2 – Field Trials
- Week 3 – Closure of Trials and Business Continuation

Before you open your AeroWest business but in no event later than one month after signing the Franchise Agreement, your Managing Owner must spend a week at our corporate office in Baton Rouge, Louisiana and/or in immersion training with an existing field technician or franchisee. We will pay for your transportation, housing and meals during the first week of training at the Baton Rouge facility.

After the completion of training, we will send a representative to your area for additional field training (on the job) near your Route. Under certain circumstances, such as if you own another AeroWest business or your Managing Owner has been employed by us we may provide the initial training program after your business opens. The following schedule describes the classroom training. However, since we tailor our initial training program individually for each franchisee, the schedule of your training may vary depending on your experience and aptitudes. The instructional material for the classroom training consists of the Operations Manual and electronic files. (Franchise Agreement, Section 5.01)

TRAINING PROGRAM

WEEK 1 – CLASSROOM AND PARTIAL FIELD TRAINING

Subject	Hours Of Classroom Training	Hours Of On-the-Job Training	Location
Product & Services and Safety Training	6	0	Our Corporate Offices in Baton Rouge, LA
Installation Techniques	3	0	Our Corporate Offices in Baton Rouge, LA
Servicing of the various systems	2	0	Our Corporate Offices in Baton Rouge, LA
Lead Generation Program and appointments	1	0	Our Corporate Offices in Baton Rouge, LA
Franchise Operations, Forms & Reports	2	0	Our Corporate Offices in Baton Rouge, LA
Quick Service software and tablet use	2	0	Our Corporate Offices in Baton Rouge, LA

Subject	Hours Of Classroom Training	Hours Of On-the-Job Training	Location
Pricing / Accounting	2	0	Our Corporate Offices in Baton Rouge, LA
Competition	2	0	Our Corporate Offices in Baton Rouge, LA
Sales & Business Development	2	0	Our Corporate Offices in Baton Rouge, LA
Test, Review and Discussion	2	0	Our Corporate Offices in Baton Rouge, LA
Total (Three Eight-Hour Days)	24	0	

WEEK 2 – FIELD TRIALS

Subject	Hours Of Classroom Training	Hours Of On-the-Job Training	Location
Consultative Selling And Week 1 Review	0	2	In your Route
Customer Interaction And Sales Calls	0	16	In your Route
Field Trials And Installation	0	6	In your Route
Total (Four Six-Hour Days)	0	24	

WEEK 3 – CLOSURE OF TRIALS AND BUSINESS CONTINUATION

Subject	Hours Of Classroom Training	Hours Of On The Job Training	Location
Customer Interaction and Business Closure	0	16	In your Route
Service review	0	2	In your Route

Subject	Hours Of Classroom Training	Hours Of On The Job Training	Location
Total (Three Six-Hour Days)	0	18	

The on the job field training covers sales and servicing, visits to existing Accounts (if any) in your Route, sales techniques, dispenser trials and installations, safety training, servicing techniques and special service requirements for hospitals and health care Accounts. There is no fixed schedule of subjects in the on the job field training, and the order of subjects taught and the time spent on each subject will depend on your experience and aptitudes.

We require your Managing Owner to attend and successfully complete the initial training program, including classroom training and on the job field training, to our satisfaction. Your Managing Owner must re-take the initial training program if he/she does not successfully complete the initial training program.

To ensure the consistency of our business applications and model, your Managing Owner must train any employees of your AeroWest business using our training materials. You must prepare and forward log sheets demonstrating their attendance and completion of all required training modules. (Franchise Agreement, Section 5.02)

We conduct the initial training program whenever necessary for a new franchisee. Our trainers include the following: (1) Monica Gayle, our Chief Operations Officer, has eleven years of experience in training AeroWest franchisees; (2) Ben J. Elder, one of our owners, has thirteen years of experience in training our franchisees; and (3) Paul Pittman, our Chief Financial Officer, has ten years of experience in training our franchisees.

Refresher Training

General training, periodic refresher training, and new product training is critical to remaining current, mastering the required successful service and sales concepts, learning about the new products as well as improving and growing the brand along with your business. We will offer periodic refresher training information that your Managing Owner and any employees that we reasonably designate must review. (Franchise Agreement, Section 5.04)

Franchisee Meetings

Your Managing Owner must attend any franchise meetings that we specify. We will pay all hotel and meal expenses for the franchisee meetings and you shall be responsible for all transportation costs. (Franchise Agreement, Section 5.05)

Advertising

There is no requirement for us to maintain any specific advertising program, but we will provide you with any sales leads in your Route that we develop from advertising and trade shows as we consider necessary. We currently advertise solely through trade shows, industry magazines, professional memberships related to the business, press releases, website management, through multiple social media platforms to the trade press. We are not required to ensure that any particular franchisee benefits directly from advertising and we can allocate advertising funds to whatever regions or localities we consider appropriate. As such, we need not spend any amount on advertising in your specific Route. We currently use our in-house advertising department for this advertising and promotion. There is no national or regional advertising fund, and there are no advertising cooperatives. The Franchise Agreement does not give us the power to require you to contribute to a national or regional advertising fund. The Franchise Agreement does

not give us the power to require advertising cooperatives to be formed, changed, dissolved or merged. There is no franchisee advertising council.

You may develop advertising materials for your own use, at your own cost. We must approve these advertising materials in writing before you use them. We will approve or disapprove advertising materials you submit within 10 business days after we receive them. If we do not respond within 10 business days after we receive your proposed advertising material, you can consider them approved.

You may not operate any independent websites or use any social media accounts to promote your AeroWest business. (Franchise Agreement, Section 7.17)

ITEM 12 TERRITORY

Under the Franchise Agreement, you will receive a designated non-exclusive Route (the size of which will vary on a case by case basis) in which you will be permitted to operate your AeroWest business. You may operate your AeroWest business out of a home office or a rental office, however, we do not need to approve your office location. You may not solicit business from active Accounts serviced by any other AeroWest business or any business that retains the services of one of our customers to service their facilities (e.g. restaurants that hire janitorial companies that use our products) or solicit business through alternative channels (see below). There are no circumstances that permit us to modify your Route. Likewise, the Franchise Agreement does not give you a right to relocate your AeroWest business to a location outside of your Route, and you do not receive the right to acquire additional franchises within or outside of your Route unless you sign another Franchise Agreement with us. You will not receive an exclusive territory. You may face competition from other franchisees, from AeroWest businesses that we own, or from other channels of distribution or competitive brands that we control.

We may establish other franchised or company-owned AeroWest businesses that may compete with your AeroWest business, however, none of these business may solicit business from any of your active Accounts. We and our affiliates have the right:

- (1) To own and operate AeroWest businesses anywhere whatsoever, including in close proximity to your Accounts;
- (2) To grant franchises and licenses for AeroWest businesses anywhere whatsoever, including in close proximity to your Accounts;
- (3) To sell products to customers that use our products to service locations operated by their customers;
- (4) To sell services, products, equipment and chemicals anywhere whatsoever, including in close proximity to your Accounts, which comprise a part of the System and (in the case of services) which the Franchise Agreement contemplates you will sell and, to exploit our Trademarks, name, reputation and know-how in connection with these sales; and
- (5) To offer and sell at retail services which comprise a part of the System to National Accounts. We will give you the opportunity to service any outlets or locations of National Accounts present in your Route at the contractual price and terms agreed to by us and the National Account. If you do not wish to service (or are incapable of servicing) the National Account for any reason, then we (or any other AeroWest business) can service the National Account in your Route.

We have the right to offer and sell, under the Trademarks, all products or services and/or their components or ingredients -- including those used or sold by your AeroWest business -- through alternate channels of distribution, including the internet/worldwide web; any other form of electronic commerce; "800"

or similar toll-free telephone numbers; mail order; telemarketing or other direct marketing sales; television sales (including "infomercials"). You will receive no compensation for sales made by us through alternative distribution channels, except that we will not make any sales through these channels to any of your active Accounts. Your AeroWest business may not offer or sell products or services or solicit Accounts through any alternative channels of distribution, such as the internet/worldwide web (except a franchisee web page set up by us) and other forms of electronic commerce; "800" or similar toll-free telephone numbers; telemarketing or other direct marketing sales without our advance written consent.


We will attempt to resolve any disputes between you and any other AeroWest business concerning the assignment of Accounts; solicitation and contract procurement activities; and, any other Account assignment dispute.

Each AeroWest business is required to expand its business by soliciting new Accounts in its assigned Route. We will notify you of potential Accounts in your Route and assist you in setting up sales meetings. If your AeroWest business fails to experience year on year growth of 3% or more in your Route, we may terminate the Franchise Agreement.

You have no options, rights of first refusal or similar rights to acquire additional franchises.

ITEM 13 TRADEMARKS

We grant you a non-exclusive license to use the "AeroWest" mark and to use or other current or future Trademarks in the operation of your AeroWest business during the term of your Franchise Agreement. By the "Trademarks", we mean the symbols, trademarks, service marks, logotypes and trade names which you will use to identify and operate your franchise. We have registered the following principal marks with the United States Patent and Trademark Office on the principal register, and we have filed all required affidavits of continued use and renewed the registration for these marks.

TRADEMARK	REGISTRATION NUMBER	REGISTRATION DATE
	5793996	July 2, 2019
AEROWEST	5793999	July 2, 2019

There are presently no effective determinations of the U.S. Patent and Trademark Office, the Trademark Trial and Appeal board, the Trademark Administrator of any state or any court, any pending infringement, opposition, or cancellation proceeding, or any pending material litigation involving any of the Trademarks which is relevant to your use. There are no agreements which significantly limit our rights to use or license the Trademarks. There are no infringing uses or superior prior rights known to us that can materially affect your use of the Trademarks in any state.

You may not use any other names or marks to identify your AeroWest business or any modifying words, designs or symbols, except for those which we license to you. You must follow our requirements for using the Trademarks. You may not use the Trademarks in your business entity name. You must follow our requirements with regard to the registration of assumed business (dba) and trade names. You must notify us promptly if you learn about any infringement of or challenge to our use of the trademarks. We will take the action we consider appropriate. We have the right to control any administrative proceedings or litigation involving a Trademark licensed by us to you.

You must notify us of any unauthorized use of the Trademarks. You must also notify us of any challenge to the validity of, or the right to use, any of the Trademarks. We have the right to control any administrative proceeding or litigation that involves the Trademarks. This right includes the right to settle any of those disputes. We may, but are not required to, try to stop other people from using the Trademarks.

We will defend you against any infringement claims that arise from your use of the Trademarks at our expense, including the cost of any judgment or settlement, if your use of the Trademarks complied with the Franchise Agreement, but at your expense if your use of the Trademarks did not comply with the Franchise Agreement. You must assist us in any action we take to protect the Trademarks. Unless this action results from your inappropriate use of the Trademarks, we will reimburse you for your out of pocket costs in assisting us.

We have the right to modify or discontinue use of any Trademark and/or to adopt or use one or more additional or substituted Trademarks and you must comply with any such instruction at your own expense.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We hold U.S. Patent 5,271,560, issued on December 21, 1993, and U.S. Patent 5,368,200, issued on November 29, 1994. These patents describe the unique features of the AeroWest Drip Dispenser. We also hold U.S. Patent D0401311, issued on November 17, 1998, which describes the unique features of the Odo-San Drip Dispenser and U.S. Patent D881335 issued on April 14, 2020, which describes our Deodorizing Dispenser. You will use these patented dispensers in your AeroWest business.

We have registered the following copyrights which we will license you to use with the United States Copyright Office:

TITLE OF WORK	REGISTRATION NUMBER	REGISTRATION DATE	EXPIRATION DATE
AeroWest Sales Training Manual on Odor Counteractant System	TX 0001,766,493	3/3/86	January 31, 2081
Audio and Video Training files for the Installation and Service of the AeroWest Odor Counteractant System	Pau 001-816-993	1/7/94	January 7, 2089

Except as described above, we do not own any patents, copyrights or related applications that are material to your AeroWest business or the System. However, we claim copyright protection in the Manual and in certain forms, advertising and promotional materials, product specifications, training materials and other written materials.

There are no agreements currently in effect which significantly limit your right to use any of our patents or copyrights. There are no currently effective material determinations of the U.S. Patent and Trademark Office, Copyright Office (Library of Congress) or any court pertaining to or affecting any of our patents or copyrights discussed above. As of the date of this disclosure document, we are unaware of any infringing uses of or superior prior rights to any of our patents or copyrights which could materially affect your use of them in this state or in the state in which the franchised business will be located.

You must notify us immediately if you learn about any infringement of or challenge to our use of these patents or copyrights. We will take the action we consider to be appropriate.

The Manual is confidential and remains our property. You must protect the confidentiality of the Manual and any other confidential information you learn from us including commercial considerations.

We claim ownership of the data you obtain during the operation of your AeroWest business. This includes all databases (whether in print or electronic form) including names, addresses, email addresses, phone numbers, birth dates, transaction data, demographic data, behavioral data, customer service history, correspondence and other data and all other data that you create and/or collect in connection with the System, or in connection with your operation of your AeroWest business (including, but not limited to, transaction data). We reserve the right to use or transfer these records as we deem appropriate and to provide the information to our affiliates. Furthermore, we reserve the right to contact customers of your AeroWest business, as well as your employees, suppliers and other service providers, for purposes of quality control, market research and for other business reasons as we deem appropriate. In connection with any use of data in your AeroWest business, you agree to comply with all applicable laws pertaining to the privacy of customer, employee, and transactional information and our standards and policies pertaining to these privacy laws.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You must designate one of your owners as your Managing Owner who will be the person with whom we communicate and who will have the authority to bind you with respect to all financial, operational and legal matters related to the Franchised Business and the Franchise Agreement. Your Managing Owner must successfully complete our initial training program (see Item 11). You must designate a replacement within 30 days after your Managing Owner leaves his or her position and your replacement manager must successfully complete our initial training program.

To support the development of the brand and consistent quality you may employ a substitute manager with our prior approval to operate your business in your place if your Managing Owner is ill or temporarily unable to operate the business personally. Your substitute manager does not need to have any equity interest in your business or attend our initial training program. If you do not have a satisfactory substitute manager, you must immediately advise us so that we can assist you in identifying an individual who can provide service to your Accounts in your absence. At our option, we may manage your AeroWest business in your absence you will pay our Temporary Management Fee. See Item 6.

You, your Managing Owner and any managers you employ may only divulge confidential information related to the System to your full time and/or part time employees, agents or independent contractors that is necessary in order to operate your AeroWest business and you must ensure that such individuals retain such information in confidence.

If you hire people to help you provide services to Accounts of your AeroWest business, you must comply with all federal, state and local employment, tax and insurance requirements and all other applicable laws and regulations that apply to employers. You are solely responsible for all employment decisions and functions for your AeroWest business, including, without limitation, those related to hiring, firing, remuneration, compensation, personnel policies, training, benefits, insurance, compliance with wage and hour requirements, recordkeeping, and the supervision and discipline of employees. The people that you hire to work in your AeroWest business will be your agents and employees. They are not our agents or employees and we are not a joint employer of those persons.

If the franchisee is a corporation or limited liability company, each of the owners must sign the personal guarantee attached to the Franchise Agreement. The personal guarantee includes a commitment to be bound personally by the confidentiality and non-competition provisions of the Franchise Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may not sell, service or trade in any products or services that directly compete with our proprietary products and services. AeroWest requires you to use the AeroWest, Odo-San, Wiseair and Westair Dispensers for dispensing the odor counteractant. You may buy and use our proprietary odor counteractant or another odor counteractant we have approved. You may not dilute or adulterate any of our products in any manner.

You may only offer services directly to Accounts. You may not sell any products or services through alternative channels of distribution including over the internet, through catalog and telephone sales and through channels of e-commerce. You must offer and sell all services which are a part of the System, and all other services which we incorporate into the System in the future. You must use all mandatory products, chemicals, equipment and services which are a part of the System, and all other mandatory products, chemicals, equipment and services which we incorporate into the System in the future. We can add to, delete from or modify the programs and services your AeroWest business can offer, and can add to, delete from or modify the products, chemicals, equipment and services which your AeroWest business can use. There are no contractual limits on our rights to make these changes.

You may not sell or distribute, at retail or wholesale any AeroWest product, equipment or other non-service component which comprises (or may in the future comprise) a part of the System. Finally, you may not engage in the wholesale sale or distribution of any AeroWest service, service component of the System, or any service related thereto.

You may not solicit business from the active Accounts of any other AeroWest business.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	3.01	The initial term of the Franchise Agreement is 5 years.
b. Renewal or extension of the term	3.02	Provided we are still franchising and have not made a decision to withdraw from the geographic market of your AeroWest business, and if you are in good standing, you can obtain a renewal franchise agreement with a five-year term.

Provision	Section in Franchise Agreement	Summary
c. Requirements for you to renew or extend	3.02	Provide written notice of intent to renew; be in compliance with other agreements with us; meet our standards for new franchisees; sign renewal franchise agreement, sign general release and pay renewal fee. The renewal franchise agreement may contain terms that are materially different from your expiring Franchise Agreement, such as different fee requirements, but will not require the payment of an Initial Franchise Fee.
d. Termination by you	14.01	You may terminate the Franchise Agreement with or without cause after giving us 90 days' prior written notice.
e. Termination by us without cause	Not applicable	We may not terminate the Franchise Agreement without cause.
f. Termination by us with cause	14.02-14.05	We may terminate the Franchise Agreement only if you or your owners commit any one of several violations.
g. "Cause" defined - defaults which can be cured	14.04	You have 15 days to cure any default except for those listed below under h.
h. "Cause" defined – non-curable defaults	Section 14.03 and 14.05	Non-curable defaults include bankruptcy, reorganization, insolvency, receivership, or assignment for benefit of creditors; failure to pay amounts due; failure to submit required material information, records, or Account orders; failure to obtain our written approval where required; failure to disclose any Account to us; failure to identify a Manager Owner who will directly and personally conduct and operate the business; solicitation of business from another AeroWest business; failure to commence operations when required; violation of the covenant not to compete; submission of fraudulent service receipts, repeatedly submit inaccurate reports or financial statements, defraud or make false representations; failure to meet 3% year on year growth goals; repeated failure (three or more breaches) to comply with one or more requirements of the Franchise Agreement; abandonment of the business; felony conviction; threat or danger to public health or safety results from your continued operation of

Provision	Section in Franchise Agreement	Summary
		the franchised business; violation of confidentiality obligations; refusal to allow us to inspect the business; offer of unapproved products or services; failure to offer all required programs and services; failure to obtain and maintain insurance; cross default of another agreement with us or our affiliates.
i. Your obligations on termination/ non-renewal	XV	You must: immediately pay all amounts owed; cease using the Trademarks and confidential information; pay all our expenses as a result of your default; return manuals and computer tablet; cease using any telephone numbers listed under the Trademarks; comply with covenants not to compete; cease all contacts with Accounts of the formerly-franchised business; and assign all Account contracts to us.
j. Assignment of contract by us	11.01	There are no restrictions on our right to assign.
k. "Transfer" by you – definition	11.02	Any assignment, sale, transfer, sharing, redemption, sublicensing or division of your interest in the Franchise Agreement, any of your rights or privileges, the franchised AeroWest business or any interest in it.
l. Our approval of transfer by you	11.02	We have the right to approve transfers.
m. Conditions for our approval of transfer	11.02	You must comply with our right of first refusal (see below); the transferee must meet our qualifications; you must be in good standing; and pay the transfer fee and your buyer must pay the transferee training fee.
n. Our right of first refusal to acquire your business	11.03	We can match any offer for your business.
o. Our option to purchase your business	Not applicable	

Provision	Section in Franchise Agreement	Summary
p. Your death or disability	11.04	Your estate may continue operating the business upon the death or permanent incapacity of your last surviving principal if it provides an acceptable trained manager within one month. We may operate your business until a qualified manager assumes control and you will pay our Temporary Management Fee (see Item 6).
q. Non-competition covenants during the term of the franchise	10.02	No involvement in any other business which offers or sells deodorizing, odor control or sanitation services or which offers or sells services or products related thereto; which engages in any of the activities which the Franchise Agreement contemplates will be engaged in by Franchisee; or, which offers or sells any other service or product (or component thereof) which comprises or may in the future comprise a part of the System (or any product or service confusingly similar thereto).
r. Non-competition covenants after the franchise is terminated or expires	10.02	No involvement in the business activities outlined in q. above for one year or in a business which solicits or services any Account you serviced during the two-year period before termination or expiration.
s. Modification of the agreement	18.02	No modification generally without signed agreement, but we may modify the System and the Manual.
t. Integration/merger clause	18.01	Only the terms of the Franchise Agreement are enforceable (subject to state law). Any representations or promises outside of this disclosure document and the Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Not applicable	
v. Choice of forum	21.02	Subject to state law, all lawsuits must be filed where our principal offices are located, which currently is Baton Rouge, Louisiana.
w. Choice of law	21.02	Subject to state law, Louisiana law applies.

**ITEM 18
PUBLIC FIGURES**

We do not use any public figure to promote our franchises.

**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.

STATEMENT OF AVERAGE GROSS BILLINGS OF FRANCHISED AEROWEST BUSINESSES FOR 2022				
	Systemwide	Top Third	Middle Third	Bottom Third
No. of Businesses	21	7	7	7
Average Gross Billings	\$137,899	\$300,166	\$87,555	\$25,976
No. & % of Businesses that Met or Exceeded Average	6 – 29%	3 – 43%	2 – 29%	3 – 43%
Range of Gross Billings	\$12,020 - \$673,364	\$137,302 - \$673,364	\$60,697 - \$128,659	\$12,020 - \$55,465
Median of Gross Billings	\$82,146	\$268,495	\$82,146	\$17,579
No. and % of Businesses that exceeded \$50,000 in Gross Billings	15 – 71%	7 – 100%	7 – 100%	1 – 14%
No. and % of Businesses that exceeded \$100,000 in Gross Billings	9 – 43%	7 – 100%	2 – 29%	0 – 0%
No. and % of Businesses that exceeded \$200,000 in Gross Billings	5 – 24%	5 – 71%	0 – 0%	0 – 0%

Notes

- [1] The Statement of Average Gross Billings consists of the average annual Gross Billings of 21 franchised AeroWest businesses that were in operation during the entire 2022 calendar year and excludes the results of three franchised AeroWest businesses that were not in operation during the 2022 calendar year, two of which permanently closed in 2022. Of the 21 franchised AeroWest businesses included in the financial performance representation, 67% (14 businesses) began

operations with less than \$23,000 in Gross Billings from Accounts assigned by us, 33% (7 businesses) began operations with more than \$23,000 in Gross Billings from Accounts assigned by us. Of the 67% who began with less than \$23,000, 79% (11 businesses) began operations with \$0 in Gross Billings and did not have any Accounts assigned by us.

- [2] "Gross Billings" means the amount of all Account charges, including charges for labor and materials, billed by us on your behalf from, through, by or on account of the operation of your franchised AeroWest business. There shall be deducted from Gross Billings for purposes of this computation the amount of all sales tax receipts or similar tax receipts which, by law, are chargeable to Accounts.
- [3] All AeroWest businesses in this financial performance representation offer substantially the same services and products to their Accounts and use the same method of billings-related accounting since AeroWest performs all billings-related accounting for them.
- [4] We will make written substantiation of the data we used in preparing the financial performance representation available to you on reasonable request.

Some AeroWest businesses have earned this much. Your individual results may differ. There is no assurance that you will earn as much.

Other than the preceding financial performance representation, West Sanitation Services, Inc. does not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting our Chief Financial Officer, Paul Pittman, at 2158 Beaumont Drive, Baton Rouge, LA 70806, telephone (225) 302-5570, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

**Table No. 1
System wide Business Summary
For Years 2020 to 2022**

Business Type	Year	Routes at the Start of the Year	Routes at the End of the Year	Net Change
Franchised	2020	32	26	-6
	2021	26	24	-2
	2022	24	22	-2
Company-Owned	2020	20	20	0
	2021	20	21	+1
	2022	21	17	-4
TOTAL	2020	52	46	-6
	2021	46	45	-1
	2022	45	39	-6

Table No. 2
Transfers of Franchised Businesses from Franchisees to New Owners
(Other than the Franchisor)
For Years 2020 to 2022*

State	Year	Number of Transfers
All States	2020	0
	2021	0
	2022	0
TOTAL	2020	0
	2021	0
	2022	0

* As of December 31 of each year. States not listed had no activity to report.

Table No. 3
Status of Franchised Businesses
For Years 2020 to 2022*

State	Year	Businesses at Start of Year	Businesses Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Businesses at End of the Year
Alabama	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	1	0	0	0	0
California	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Florida	2020	1	0	1	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Georgia	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Illinois	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
Iowa	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	1	0	0	0	0
Louisiana	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Maryland	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Michigan	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Mississippi	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1

State	Year	Businesses at Start of Year	Businesses Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Businesses at End of the Year
New York	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	1	0	1
	2022	1	0	0	0	0	0	1
North Carolina	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Ohio	2020	1	0	0	0	0	0	1
	2021	1	0	1	0	0	0	0
	2022	0	0	0	0	0	0	0
Pennsylvania	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
South Carolina	2020	1	0	0	0	0	1	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Tennessee	2020	1	0	1	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Texas	2020	4	0	2	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Virginia	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Washington	2020	2	0	1	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Wisconsin	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
TOTAL	2020	32	0	5	0	0	1	26
	2021	26	0	1	0	1	0	24
	2022	24	0	2	0	0	0	22

* As of December 31 of each year. States not listed had no activity to report. If multiple events occurred affecting a Business, this table shows the event that occurred last in time.

Table No. 4
Status of Company-Owned Businesses
For Years 2020 to 2022*

State	Year	Businesses at Start of Year	Businesses Opened	Businesses Reacquired from Franchisee	Businesses Closed	Businesses Sold to Franchisees	Businesses at End of the Year
Alabama	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
California	2020	7	0	0	0	0	7
	2021	7	0	0	0	0	7
	2022	7	0	0	3**	0	4

State	Year	Businesses at Start of Year	Businesses Opened	Businesses Reacquired from Franchisee	Businesses Closed	Businesses Sold to Franchisees	Businesses at End of the Year
Colorado	2020	2	0	0	0	0	2
	2021	2	0	0	1	0	1
	2022	1	0	0	0	0	1
Florida	2020	3	0	1	0	0	4
	2021	4	0	0	0	0	4
	2022	4	0	0	0	0	4
Louisiana	2020	0	0	0	0	0	0
	2021	0	1	0	0	0	1
	2022	1	0	0	0	0	1
New York	2020	3	0	0	0	2	1
	2021	1	0	1	0	0	2
	2022	2	0	0	0	0	2
Texas	2020	3	0	2	1	0	4
	2021	4	0	0	0	0	4
	2022	4	0	0	0	0	4
Puerto Rico	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	1	0	0
TOTAL	2020	20	0	3	1	2	20
	2021	20	1	1	1	0	21
	2022	21	0	0	4	0	17

* As of December 31 of each year. States not listed had no activity to report.

** The accounts for three company-owned Aerowest businesses in California were assigned to an existing franchisee in California when these company-owned businesses closed.

Table No. 5
Projected Openings as of December 31, 2022

State	Franchise Agreements Signed But Business Not Opened	Projected New Franchised Businesses in Next Fiscal Year	Projected New Company-Owned Businesses in Next Fiscal Year
Alabama	0	1	0
Texas	0	2	0
Total	0	3	0

The names, addresses, and telephone numbers of our current franchisees are listed in Exhibit F. Exhibit F also provides the name and last known address and telephone number of every one of our franchisees who has had an agreement terminated, canceled, not renewed, or who otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during the one-year period ending December 31, 2022 or who has not communicated with us within ten weeks of the date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During our last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

We do not have an independent franchisee organization has asked to be included in this disclosure document.

**ITEM 21
FINANCIAL STATEMENTS**

The audited financial statements of West Sanitation Services, Inc. for the fiscal years ended December 31, 2022, December 31, 2021, and December 31, 2020 are attached as Exhibit A.

**ITEM 22
CONTRACTS**

The following agreements related to an AeroWest business are attached as exhibits to this disclosure document:

Exhibit B	Franchise Agreement
Exhibit C	Promissory Note

We also require that you fill out our Franchisee Disclosure Questionnaire (Exhibit H) before signing the Franchise Agreement.

**ITEM 23
RECEIPTS**

The last two pages of this disclosure document are detachable receipt pages. Please sign and date each of them as of the date you received this disclosure document and return one copy to us.

EXHIBIT A
FINANCIAL STATEMENTS



WEST SANITATION SERVICES, INC.
dba AeroWest International
(An S Corporation)

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
with
INDEPENDENT AUDITORS' REPORT THEREON



WEST SANITATION SERVICES, INC.
dba AeroWest International
(An S Corporation)

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Independent Auditors' Report

To the Board of Directors and Stockholders of
West Sanitation Services, Inc. dba AeroWest International

Opinion

We have audited the financial statements of West Sanitation Services, Inc. dba AeroWest International (the "Company", an S corporation), which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audits.

PDM, LLP

Torrance, California
April 27, 2023

WEST SANITATION SERVICES, INC.
dba AeroWest International
(An S Corporation)

BALANCE SHEETS
DECEMBER 31,

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 433,297	\$ 495,824
Accounts receivable, net	271,171	333,588
Employee retention credits receivable	228,113	228,113
Inventory	709,209	705,793
Prepaid expenses and other current assets	31,683	25,904
Current portion of notes receivable	<u>22,019</u>	<u>-</u>
	1,695,492	1,789,222
LONG-TERM ASSETS		
Notes receivable, net of current portion	22,100	-
Property and equipment, net	<u>430,245</u>	<u>427,623</u>
	<u>\$ 2,147,837</u>	<u>\$ 2,216,845</u>

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

WEST SANITATION SERVICES, INC.
dba AeroWest International
(An S Corporation)

BALANCE SHEETS, CONTINUED
DECEMBER 31,

	<u>2022</u>	<u>2021</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Line of credit	\$ 180,000	\$ 80,000
Accounts payable	375,892	400,783
Accrued expenses	160,731	162,002
Income taxes payable	4,490	7,353
Deferred revenue	67,997	10,870
Current portion of notes and contracts payable	<u>49,032</u>	<u>95,617</u>
	<u>838,142</u>	<u>756,625</u>
LONG-TERM LIABILITIES		
Notes and contracts payable, net of current portion	268,279	304,391
Economic injury disaster loan payable	<u>500,000</u>	<u>500,000</u>
	<u>768,279</u>	<u>804,391</u>
	<u>1,606,421</u>	<u>1,561,016</u>
STOCKHOLDERS' EQUITY		
Common stock	650	650
Retained earnings	<u>1,556,150</u>	<u>1,670,563</u>
	1,556,800	1,671,213
Less: cost of treasury stock	<u>(1,015,384)</u>	<u>(1,015,384)</u>
	<u>541,416</u>	<u>655,829</u>
	<u>\$ 2,147,837</u>	<u>\$ 2,216,845</u>

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

WEST SANITATION SERVICES, INC.
dba AeroWest International
(An S Corporation)

STATEMENTS OF INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
REVENUES		
Service sales, net	\$ 3,304,169	\$ 3,195,419
Product sales, net	1,009,226	916,470
Franchise and development fees	5,678	1,291
	<u>4,319,073</u>	<u>4,113,180</u>
COST OF SALES	<u>2,643,112</u>	<u>2,411,306</u>
GROSS PROFIT	1,675,961	1,701,874
OPERATING EXPENSES	<u>1,624,315</u>	<u>1,536,565</u>
INCOME FROM OPERATIONS	<u>51,646</u>	<u>165,309</u>
OTHER INCOME (EXPENSE)		
Other income	28,093	39,629
Income from employee retention credits	-	228,113
Forgiveness of CARES Act PPP forgivable notes payable	-	286,000
Interest expense	(46,040)	(54,872)
	<u>(17,947)</u>	<u>498,870</u>
INCOME BEFORE PROVISION FOR		
INCOME TAXES	33,699	664,179
PROVISION FOR INCOME TAXES	<u>15,182</u>	<u>7,261</u>
NET INCOME	<u>\$ 18,517</u>	<u>\$ 656,918</u>

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

WEST SANITATION SERVICES, INC.

dba AeroWest International

(An S Corporation)

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY YEARS ENDED DECEMBER 31, 2022 AND 2021

	Common Stock, no par value, 200 shares authorized		Treasury Stock		Retained Earnings	Total Stockholders' Equity
	Shares Outstanding	Amount	Shares Outstanding	Amount		
Balance, December 31, 2020	5	\$ 650	8	\$ (1,015,384)	\$ 1,056,282	\$ 41,548
Net income	-	-	-	-	656,918	656,918
Distributions to stockholders	-	-	-	-	(42,637)	(42,637)
Balance, December 31, 2021	5	650	8	(1,015,384)	1,670,563	655,829
Net income	-	-	-	-	18,517	18,517
Distributions to stockholders	-	-	-	-	(132,930)	(132,930)
Balance, December 31, 2022	5	\$ 650	8	\$ (1,015,384)	\$ 1,556,150	\$ 541,416

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

WEST SANITATION SERVICES, INC.
dba AeroWest International
(An S Corporation)

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 18,517	\$ 656,918
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	33,256	40,353
Forgiveness of CARES Act PPP forgivable notes payable	-	(285,500)
Income from employee retention credits	-	(228,113)
Bad debt expense	-	3
Net changes in operating assets and liabilities:		
Accounts receivable	62,417	(36,593)
Notes receivable	(44,119)	-
Inventory	(3,416)	(99,784)
Prepaid expenses and other current assets	(5,779)	(5,068)
Accounts payable	(24,891)	(1,596)
Accrued expenses	(1,271)	54,113
Income taxes payable	(2,863)	2,435
Deferred revenue	57,127	5,926
Net cash flows from operating activities	<u>88,978</u>	<u>103,094</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of equipment	<u>(35,878)</u>	-
Net cash flows from investing activities	<u>(35,878)</u>	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings under notes and contracts payable	41,054	33,095
Principal payments on notes and contracts payable	(123,751)	(151,205)
Proceeds on CARES Act PPP forgivable notes payable	-	276,000
Proceeds on economic injury disaster loan payable	-	350,000
Distributions to stockholders	(132,930)	(42,637)
Net proceeds from (repayments on) line of credit	<u>100,000</u>	<u>(136,917)</u>
Net cash flows from financing activities	<u>(115,627)</u>	<u>328,336</u>
Net change in cash	(62,527)	431,430
Cash, beginning of year	<u>495,824</u>	<u>64,394</u>
Cash, end of year	<u>\$ 433,297</u>	<u>\$ 495,824</u>

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

WEST SANITATION SERVICES, INC.
dba AeroWest International
(An S Corporation)

STATEMENTS OF CASH FLOWS, CONTINUED
YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW		
INFORMATION		
Interest paid	\$ 61,040	\$ 41,596
Income taxes paid	<u>\$ 18,045</u>	<u>\$ 4,826</u>

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

WEST SANITATION SERVICES, INC. dba AeroWest International (An S Corporation)

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

NOTE 1 - ORGANIZATION

West Sanitation Services, Inc. dba AeroWest International (the “Company”) was incorporated in Delaware on December 27, 1983. The Company provides odor control products and maintenance services for washrooms throughout the United States of America. Maintenance services are provided by the Company through its employees or its network of franchisees who service certain regions. The Company exports its products worldwide, with export product sales representing between 20% and 40% of total product sales. Domestic product sales are currently concentrated to a limited customer base.

The Company continues to recover after challenges due to the Coronavirus outbreak in 2020. The COVID-19 pandemic continued to have significant effects on global markets, supply chains, businesses, and communities. COVID-19 and its significant effects on the economy could continue to impact the Company’s operations in 2023 and beyond. The uncertainties, caused by the persistence of the pandemic and the ultimate financial effects cannot be reasonably estimated at this time.

Management believes the Company is taking appropriate actions to mitigate the negative financial impact, including participation during 2021 in several programs that were sponsored by the U.S. Small Business Administration (“SBA”) and relief under the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). The most notable programs were the Payroll Protection Program (“PPP”), the Economic Industry Disaster Loan (“EIDL”) program and the Employee Retention Credit (“ERC”) program. These programs are discussed further in Notes 4, 9, and 10.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation - The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

WEST SANITATION SERVICES, INC.
dba AeroWest International
(An S Corporation)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Recently adopted accounting standard - In February 2016, the FASB issued Accounting Standards Update (“ASU”) No. 2016-02, *Leases*, and established Accounting Standards Codification (“ASC”) 842 which supersedes ASC 840, *Leases*. The new lease standard requires lessees to recognize assets and liabilities on the balance sheet for the rights and obligations created by all leases with lease terms of more than twelve months. ASU 2016-02 also expands on the required quantitative and qualitative disclosures surrounding leases. The Company adopted ASU 2016-02 and any subsequent amendments effective January 1, 2022, however, the adoption had no impact to the Company financial statements.

Revenue recognition - The Company’s revenue is comprised of product sales and maintenance service revenue generated by its employees or its network of franchisees who service certain regions. The Company recognizes revenue upon satisfying a performance obligation and transfer of control of the promised products or services has been transferred to the customer, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those products or services. For product sales, revenue is recognized at a point in time and the transfer of control to a customer typically occurs upon shipment to the customer. For service revenue, revenue is recognized over time and the transfer of control to a customer generally occurs as the services have been rendered. For service revenue recognized over time, the Company applies the practical expedient which allows the Company to recognize revenue in the amount that the Company has a right to invoice under the agreement, which typically occurs on a monthly basis. The maintenance service agreements, which vary in duration, can be terminated based on provisions within the agreement.

The amount of revenue recognized is based on the transaction price, which represents the invoiced amount and includes estimates of variable consideration such as sales adjustments, where applicable. The amount of variable consideration included in the transaction price may be constrained and is included only to the extent that it is probable that a significant reversal of the amount of the cumulative revenue recognized under the contract will not occur in a future reporting period.

Revenue is presented on a gross basis when the Company acts as a principal in its transactions, typically on revenue generated by its franchisees, as the Company assumes the primary risks and rewards of the products or services provided, and assumes the risk of loss on collection.

While payment terms vary by customer, the term between invoicing and when payment is due is not significant. Payment terms typically range between 30 to 60 days, but in any case, not longer than one year. Accordingly, the Company has elected as a practical expedient to not adjust the promised amount of consideration for the effects of a significant financing component. The Company does not have significant contract balances or contract acquisition costs.

WEST SANITATION SERVICES, INC.
dba AeroWest International
(An S Corporation)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Shipping and handling costs - Shipping and handling fees billed to customers are classified as a component of revenue. The costs associated with shipping goods to customers (“freight-out”) are included within operating expenses on the accompanying statements of income. Freight-out for the years ended December 31, 2022 and 2021 amounted to \$10,740 and \$7,957, respectively.

Concentrations of credit risk - Accounts that subject the Company to concentrations of credit risk consist of cash and accounts receivable.

The Company believes that the probability of losses from counterparty nonperformance on settlement of accounts receivable transactions is remote and that any such nonperformance would not have any material adverse effect upon the Company’s financial position or results of operations. Historically, the Company has not experienced significant losses on trade receivables.

Financial instruments from foreign customers are trade receivables valued in U.S. dollars and are not affected by fluctuations in the customer’s currency.

Cash - The Company defines its cash as operating cash held in banks with original maturities of three months or less. The Company maintains its cash at major financial institutions, the balances of which may, at times, exceed federally insured limits; management believes the risk of loss is minimal.

Accounts receivable - The Company carries its accounts receivable at invoiced amounts less an allowance for doubtful accounts. On a periodic basis, the Company evaluates the accounts receivable and establishes an allowance based on a history of past write-offs and collections as well as current credit conditions. The Company evaluates the credit worthiness of its customers and establishes a reserve for collectability. The Company experiences longer accounts receivable cycles in its foreign markets compared to its U.S. markets.

Fair value of financial instruments - Financial instruments primarily consist of cash, accounts and notes receivable, interest-bearing notes and contracts payable, and a line of credit with a bank. The Company estimates that the fair value of its financial instruments at December 31, 2022 and 2021 do not differ materially from their aggregate carrying value recorded in the accompanying balance sheets. Considerable judgment is required in interpreting market data to develop the estimates of fair value and, accordingly, the estimates are not necessarily indicative of the amounts that the Company could realize in a current market exchange.

WEST SANITATION SERVICES, INC.
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Fair value measurement - The Company defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company measures fair value under a framework that provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

Inventory - Inventory is carried at the lower of cost, determined on a first-in, first-out basis, or net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. The Company regularly monitors inventory for excess or obsolete items and makes any valuation corrections when such adjustments are needed. Once established, write downs are considered permanent adjustments to the cost basis of obsolete or excess inventory. As of December 31, 2022 and 2021, inventory is comprised of finished goods of \$532,326 and \$533,235 and raw materials of \$176,883 and \$172,558, respectively.

Property and equipment - Property and equipment are carried at cost, net of accumulated depreciation and amortization. Normal maintenance and repairs are expensed as incurred. Expenditures that materially adapt, improve, or alter the nature of the underlying assets are capitalized. Gains and losses on dispositions are included in current operations. Depreciation and amortization is computed using straight-line and accelerated methods based principally on the estimated useful lives of the assets ranging from 5 to 39 years.

Long-lived assets - The Company assesses, using a qualitative then a quantitative approach, the recoverability of long lived assets, including property and equipment, whenever triggering events, or changes in circumstances, indicate that the historical-cost carrying value of an asset may no longer be appropriate. The evaluation is performed by determining whether the depreciation and amortization of such assets over their remaining lives can be recovered through projected undiscounted cash flows. The amount of impairment, if any, is measured based on fair value and is charged to operations in the period in which such impairment is determined by management. During the years ended December 31, 2022 and 2021, the Company recognized no impairment losses on its long-lived assets. However, there can be no assurance that market conditions will not change, which could result in impairment of long-lived assets in the future.

WEST SANITATION SERVICES, INC.
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Research and development - Research and development costs consist primarily of compensation and materials associated with the research and development of the Company's technologies and are expensed as incurred.

Advertising - Advertising costs are expensed in the period incurred. Advertising expense for the years ended December 31, 2022 and 2021 amounted to \$10,106 and \$6,491, respectively.

Deferred revenue - Deferred revenue is mostly derived from the sale of franchise routes for odor control and washroom sanitation services as well as customer payments received in advance. Franchise agreements are typically for five years and renew annually thereafter.

Income taxes - The Company has elected "S" corporation status, which provides for profits and losses to be reported at the individual stockholder level for income tax purposes. The stockholder may require distributions from the Company to fund payment of these taxes.

State income tax expense, computed on the basis of transactions entering into the pretax operating results using the applicable tax rates for states in which the Company has operations, is included under the provision for income taxes.

When tax returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any.

Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than fifty percent likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits along with any associated interest and penalties that would be payable to the taxing authorities upon examination.

As of December 31, 2022 and 2021, the Company had no unrecognized tax benefits, and the Company had no positions which, in the opinion of management, would be reversed if challenged by a taxing authority.

WEST SANITATION SERVICES, INC.
dba AeroWest International
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

The Company's evaluation of tax positions was performed for those tax years which remain open to audit. The Company may, from time to time, be assessed interest or penalties by the taxing authorities, although any such assessments historically have been minimal and immaterial to the Company's financial results. In the event the Company is assessed for interest and/or penalties, such amounts will be classified as income tax expense and included in the provision for income taxes.

As of December 31, 2022, all federal tax returns since 2019 and state tax returns since 2018 are still subject to adjustment upon audit. No tax returns are currently being examined by taxing authorities.

The provision includes pass-through entity taxes that permit the entity to deduct state income taxes that the individual stockholders would have otherwise been unable to deduct under the limitations imposed by the Tax Cuts and Jobs Act. The Company paid \$11,289 in pass-through entity taxes during the year ended December 31, 2022, consisting of \$4,500 for 2022 and \$6,789 for 2021.

Reclassifications - Certain amounts presented in previous financial statements may have been reclassified to conform to current presentation.

Subsequent events - Subsequent events have been evaluated by the Company through April 27, 2023, which is the date these financial statements were available to be issued.

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable as of December 31st consist of the following:

	<u>2022</u>	<u>2021</u>
Accounts receivable	\$ 299,385	\$ 361,802
Less: allowance for doubtful accounts	<u>(28,214)</u>	<u>(28,214)</u>
	<u>\$ 271,171</u>	<u>\$ 333,588</u>

WEST SANITATION SERVICES, INC.
dba AeroWest International
(An S Corporation)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 4 - EMPLOYEE RETENTION CREDITS RECEIVABLE

The CARES Act provides an ERC for eligible employers who meet certain requirements under the act. The ERC is a refundable tax credit against certain employer payroll taxes capped at certain qualified wages paid per employee. Additional relief provisions were passed by the U.S. government, which extended and slightly expanded the qualified wage caps on these credits through 2021. The ERC is calculated on a quarterly basis.

The Company became retroactively eligible for the ERC for the four quarters of 2020 for a total amount of \$114,443 and was eligible for the first quarter of 2021 for an amount of \$113,670. The Company accounted for the ERC's as grants and recorded both the 2020 and 2021 ERC receivables in the later part of 2021 when there was reasonable assurance that any conditions were met and the amounts will be received. The Company filed its amended payroll tax returns claiming the ERC's and is expecting to receive the ERC's in 2023. The income from the ERC's totaling \$228,113 has been included in Other Income in the Statement of Income during the year ended December 31, 2021.

NOTE 5 - NOTES RECEIVABLE

Unsecured promissory notes receivable from franchisees relate to the sale of routes and the financing of equipment. The notes require monthly payments of principal and interest on outstanding balances and mature through December 2025. Interest accrues on the unpaid principal balance of these notes at 10% per annum.

Future minimum annual principal payments under notes receivable, for the years ending December 31st are as follows:

2023	\$	22,019
2024		17,631
2025		4,469
	\$	<u>44,119</u>

WEST SANITATION SERVICES, INC.
dba AeroWest International
(An S Corporation)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment as of December 31st consist of the following:

	<u>2022</u>	<u>2021</u>
Machinery and equipment	\$ 715,186	\$ 785,736
Building and improvements	507,710	480,750
Furniture and fixtures	<u>7,800</u>	<u>11,877</u>
	1,230,696	1,278,363
Less: accumulated depreciation and amortization	<u>(817,834)</u>	<u>(868,123)</u>
	412,862	410,240
Land	<u>17,383</u>	<u>17,383</u>
	<u>\$ 430,245</u>	<u>\$ 427,623</u>

Depreciation and amortization of property and equipment was \$33,256 and \$40,353 for the years ended December 31, 2022 and 2021, respectively.

The Company operates its corporate offices from a building and property it owns in Louisiana.

NOTE 7 - LINE OF CREDIT

The Company has a line of credit with a bank that provides for borrowings up to \$250,000 which is secured by substantially all assets of the Company. The line of credit has no maturity date and automatically renews. Borrowings on the line of credit are personally guaranteed by the stockholders of the Company. Interest on outstanding borrowings is charged, monthly, at variable rates based on the published prime lending rate plus a 1% margin (8.50% as of December 31, 2022). As of December 31, 2022, and 2021, the balances on the line of credit were \$180,000 and \$80,000, respectively.

WEST SANITATION SERVICES, INC.
dba AeroWest International
(An S Corporation)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 8 - NOTE AND CONTRACTS PAYABLE

The Company has the following notes and contracts payable outstanding as of December 31st:

	<u>2022</u>	<u>2021</u>
Note payable to a bank in monthly installments of \$3,419, including interest at 5.35%, secured by substantially all of the Company's assets, maturing September 2028. The note is personally guaranteed by the stockholders of the Company.	\$ 280,257	\$ 305,340
Note payable to a bank in monthly installments of \$397, including interest at 5.5%, secured by equipment, maturing in December 2023.	5,003	9,010
The Company maintains eight shares of treasury stock on an installment note payable to the estate of the former stockholder of the Company in relation to a previous sale of the Company's stock. The current stockholders have personally guaranteed the repayment of the Company's installment note payable to the estate of the former stockholder. Effective July 1, 2017, the note was amended to require weekly installments of \$1,240, including interest at 5%. The Company repaid the loan in full in March 2022.	-	53,868
Note payable to a finance company in monthly installments of \$538, including interest at 8.59%, secured by a vehicle, maturing in January 2026.	16,984	21,729
Contracts payable to finance insurance premiums, payable in monthly installments ranging from \$840 to \$2,005 through 2023, including average interest ranging from 9.92% to 12.7%.	<u>15,067</u>	<u>10,061</u>
	317,311	400,008
Less: current portion	<u>(49,032)</u>	<u>(95,617)</u>
	<u>\$ 268,279</u>	<u>\$ 304,391</u>

WEST SANITATION SERVICES, INC.
dba AeroWest International
(An S Corporation)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 8 - NOTE AND CONTRACTS PAYABLE, continued

Future minimum annual principal payments under notes and contracts payable, for the years ending December 31st are as follows:

2023	\$	49,032
2024		30,467
2025		32,610
2026		27,527
2027		29,058
Thereafter		<u>148,617</u>
	\$	<u><u>317,311</u></u>

NOTE 9 - CARES ACT FORGIVABLE NOTE PAYABLE

During 2020, the Company obtained a low-interest loan in the amount of \$276,000 from a financial institution, in connection with the SBA Paycheck Protection Program (the “PPP Loan”). During 2020 and 2021, the PPP Loan was forgiven in the amounts of \$266,000 and \$10,000, respectively, based on the Company’s use of the proceeds for its payroll costs and other expenses in accordance with the requirements of the CARES Act.

In February 2021, the Company secured a second PPP Loan of \$276,000 which was forgiven in full during 2021 based on the Company’s use of the proceeds for its payroll costs and other expenses in accordance with the requirements of the CARES Act. The amounts forgiven are included in Other Income in the Statement of Income for the year ended December 31, 2021.

NOTE 10 - ECONOMIC INJURY DISASTER LOAN PAYABLE

In June 2020, the Company originally obtained an EIDL payable in the amount of \$150,000 from the SBA. This amount was increased to \$500,000 in August 2021. The loan accrues interest at 3.75% per annum. The Company is required to make interest only payments of \$2,500 per month from December 2022 through June 2025. The Company is required to make monthly payments of \$2,500 for principal and interest beginning in July 2025. The loan matures in August 2051. The loan began accruing interest and as of December 31, 2022 accrued interest was \$28,276. In connection with the loan, the Company entered into a security agreement with the SBA, whereby the Company granted the SBA a security interest in substantially all of the Company’s assets as collateral.

WEST SANITATION SERVICES, INC.
dba AeroWest International
(An S Corporation)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 10 - ECONOMIC INJURY DISASTER LOAN PAYABLE, continued

Future minimum annual principal payments under the EIDL payable for the years ending December 31st are as follows:

2023	\$	-
2024		-
2025		5,516
2026		11,656
2027		12,101
Thereafter		470,727
	\$	<u>500,000</u>

NOTE 11 - COMMITMENTS AND CONTINGENCIES

Litigation - The Company may be subject to claims and lawsuits that arise in the ordinary course of business. On the basis of information presently available and advice received from legal counsel, it is the opinion of management that the settlement of such claims and lawsuits will not have a material adverse effect on the Company's financial position or results of operations.

Employment agreement - The Company has an employment agreement with a current stockholder effective February 1, 2010, which continues until terminated by the Company or by the current stockholder.

NOTE 12 - RETIREMENT SAVINGS PLAN

The Company has a retirement savings plan (the "Plan"), which qualifies under Section 401(k) of the Internal Revenue Code (the "Code"). Eligible employees may make contributions to the Savings Plan up to the maximum amount allowed under the Code. Subsequent to year-end, the matching percentage of employee contributions is determined for the previous year. The Company made contributions of \$7,629 and \$8,892 to the Plan during the years ended December 31, 2022 and 2021, respectively.



**WEST SANITATION SERVICES, INC.
dba AeroWest International
(An S Corporation)**

AUDITED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
with

INDEPENDENT AUDITORS' REPORT THEREON



WEST SANITATION SERVICES, INC.
dba AeroWest International
(An S Corporation)

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Independent Auditors' Report

To the Board of Directors and Stockholders of
West Sanitation Services, Inc. dba AeroWest International

Opinion

We have audited the financial statements of West Sanitation Services, Inc. dba AeroWest International (the "Company", an S corporation), which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of income, changes in stockholders' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audits.



Torrance, California
April 29, 2022

WEST SANITATION SERVICES, INC.
dba AeroWest International
(An S Corporation)

BALANCE SHEETS
DECEMBER 31,

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 495,824	\$ 64,394
Accounts receivable, net	333,588	296,998
Employee retention credits receivable	228,113	-
Inventory	705,793	606,009
Prepaid expenses and other current assets	<u>25,904</u>	<u>20,836</u>
	1,789,222	988,237
LONG-TERM ASSETS		
Property and equipment, net	<u>427,623</u>	<u>467,976</u>
	<u><u>\$ 2,216,845</u></u>	<u><u>\$ 1,456,213</u></u>

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

WEST SANITATION SERVICES, INC.
dba AeroWest International
(An S Corporation)

BALANCE SHEETS, CONTINUED
DECEMBER 31,

	<u>2021</u>	<u>2020</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Line of credit	\$ 80,000	\$ 216,917
Accounts payable	400,783	402,379
Accrued expenses	162,002	107,889
Income taxes payable	7,353	4,918
Deferred revenue	10,870	4,944
Current portion of notes and contracts payable	<u>95,617</u>	<u>125,602</u>
	<u>756,625</u>	<u>862,649</u>
LONG-TERM LIABILITIES		
Notes and contracts payable, net of current portion	304,391	392,516
CARES Act PPP forgivable note payable	-	9,500
Economic injury disaster loan payable	<u>500,000</u>	<u>150,000</u>
	<u>804,391</u>	<u>552,016</u>
	<u>1,561,016</u>	<u>1,414,665</u>
STOCKHOLDERS' EQUITY		
Common stock	650	650
Retained earnings	<u>1,670,563</u>	<u>1,056,282</u>
	1,671,213	1,056,932
Less: cost of treasury stock	<u>(1,015,384)</u>	<u>(1,015,384)</u>
	<u>655,829</u>	<u>41,548</u>
	<u>\$ 2,216,845</u>	<u>\$ 1,456,213</u>

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

WEST SANITATION SERVICES, INC.
dba AeroWest International
(An S Corporation)

STATEMENTS OF INCOME
YEARS ENDED DECEMBER 31,

	<u>2021</u>	<u>2020</u>
REVENUES		
Service sales, net	\$ 3,195,419	\$ 2,877,257
Product sales, net	916,470	947,907
Franchise and development fees	<u>1,291</u>	<u>-</u>
	4,113,180	3,825,164
COST OF SALES	<u>2,411,306</u>	<u>2,375,155</u>
GROSS PROFIT	1,701,874	1,450,009
OPERATING EXPENSES	<u>1,536,565</u>	<u>1,517,572</u>
INCOME (LOSS) FROM OPERATIONS	<u>165,309</u>	<u>(67,563)</u>
OTHER INCOME (EXPENSE)		
Other income	39,629	70,540
Income from employee retention credits	228,113	-
Forgiveness of CARES Act PPP forgivable notes payable	286,000	266,000
Interest expense	<u>(54,872)</u>	<u>(78,562)</u>
	498,870	257,978
INCOME BEFORE PROVISION FOR		
INCOME TAXES	664,179	190,415
PROVISION (BENEFIT) FOR INCOME TAXES	<u>7,261</u>	<u>(5,499)</u>
NET INCOME	<u>\$ 656,918</u>	<u>\$ 195,914</u>

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

WEST SANITATION SERVICES, INC.

dba AeroWest International

(An S Corporation)

STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY YEARS ENDED DECEMBER 31, 2021 AND 2020

	Common Stock, no par value, 200 shares authorized		Treasury Stock		Total Stockholders' Equity	
	Shares Outstanding	Amount	Shares Outstanding	Amount	Retained Earnings	Equity
Balance, December 31, 2019	5	\$ 650	8	\$ (1,015,384)	\$ 893,186	\$ (121,548)
Net income	-	-	-	-	195,914	195,914
Distributions to stockholders	-	-	-	-	(32,818)	(32,818)
Balance, December 31, 2020	5	650	8	(1,015,384)	1,056,282	41,548
Net income	-	-	-	-	656,918	656,918
Distributions to stockholders	-	-	-	-	(42,637)	(42,637)
Balance, December 31, 2021	5	\$ 650	8	\$ (1,015,384)	\$ 1,670,563	\$ 655,829

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

WEST SANITATION SERVICES, INC.
dba AeroWest International
(An S Corporation)

STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31,

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 656,918	\$ 195,914
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	40,353	38,831
Forgiveness of CARES Act PPP forgivable notes payable	(285,500)	(266,000)
Income from employee retention credits	(228,113)	-
Bad debt expense	3	34
Net changes in operating assets and liabilities:		
Accounts receivable	(36,593)	188,860
Inventory	(99,784)	(150,507)
Prepaid expenses and other current assets	(5,068)	(2,503)
Accounts payable	(1,596)	(84,093)
Accrued expenses	54,113	(11,142)
Income taxes payable	2,435	(2,296)
Deferred revenue	5,926	(3,624)
Net cash flows from operating activities	<u>103,094</u>	<u>(96,526)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	-	(31,667)
Net cash flows from investing activities	<u>-</u>	<u>(31,667)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings under notes and contracts payable	33,095	189,716
Principal payments on notes and contracts payable	(151,205)	(415,539)
Proceeds on CARES Act PPP forgivable notes payable	276,000	276,000
Repayment on CARES Act PPP forgivable note payable	-	(500)
Proceeds on economic injury disaster loan payable	350,000	150,000
Repayments on borrowings from stockholders	-	(1,510)
Distributions to stockholders	(42,637)	(32,818)
Net proceeds from (repayments on) line of credit	(136,917)	(22,126)
Net cash flows from financing activities	<u>328,336</u>	<u>143,223</u>
Net change in cash	431,430	15,030
Cash, beginning of year	<u>64,394</u>	<u>49,364</u>
Cash, end of year	<u>\$ 495,824</u>	<u>\$ 64,394</u>

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

WEST SANITATION SERVICES, INC.
dba AeroWest International
(An S Corporation)

STATEMENTS OF CASH FLOWS, CONTINUED
YEARS ENDED DECEMBER 31,

	<u>2021</u>	<u>2020</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW		
INFORMATION		
Interest paid	<u>\$ 41,596</u>	<u>\$ 78,562</u>
Income taxes paid	<u>\$ 4,826</u>	<u>\$ 3,203</u>
Noncash investing and financing activities:		
Equipment acquired through financing	<u>\$ -</u>	<u>\$ 26,080</u>

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

WEST SANITATION SERVICES, INC.
dba AeroWest International
(An S Corporation)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 - ORGANIZATION

West Sanitation Services, Inc. dba AeroWest International (the “Company”) was incorporated in Delaware on December 27, 1983. The Company provides odor control products and maintenance services for washrooms throughout the United States of America. Maintenance services are provided by the Company through its employees or its network of franchisees who service certain regions. The Company exports its products worldwide, with export product sales representing between 20% and 40% of total product sales. Domestic product sales are currently concentrated to a limited customer base.

The Company continues to recover after a challenging year of operations in 2020. The COVID-19 pandemic continued to have significant effects on global markets, supply chains, businesses, and communities. It is expected COVID-19 could continue to negatively impact the Company’s 2022 operations. The uncertainties, caused by the continuance of the pandemic and the ultimate financial effects cannot be reasonably estimated at this time.

Management believes the Company is taking appropriate actions to mitigate the negative financial impact, including participation in several programs that were sponsored by the U.S. Small Business Administration (“SBA”) and relief under the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). The most notable programs were the Payroll Protection Program (“PPP”), the Economic Industry Disaster Loan (“EIDL”) program and the Employee Retention Credit (“ERC”) program. These programs are discussed further in Notes 4, 8 and 9.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation - The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

WEST SANITATION SERVICES, INC.
dba AeroWest International
(An S Corporation)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Revenue recognition - The Company's revenue is comprised of product sales and maintenance service revenue generated by its employees or its network of franchisees who service certain regions. The Company recognizes revenue upon satisfying a performance obligation and transfer of control of the promised products or services has been transferred to the customer, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those products or services. For product sales, revenue is recognized at a point in time and the transfer of control to a customer typically occurs upon shipment to the customer. For service revenue, revenue is recognized over time and the transfer of control to a customer generally occurs as the services have been rendered. For service revenue recognized over time, the Company applies the practical expedient which allows the Company to recognize revenue in the amount that the Company has a right to invoice under the agreement, which typically occurs on a monthly basis. The maintenance service agreements, which vary in duration, can be terminated based on provisions within the agreement.

The amount of revenue recognized is based on the transaction price, which represents the invoiced amount and includes estimates of variable consideration such as sales adjustments, where applicable. The amount of variable consideration included in the transaction price may be constrained and is included only to the extent that it is probable that a significant reversal of the amount of the cumulative revenue recognized under the contract will not occur in a future reporting period.

Revenue is presented on a gross basis when the Company acts as a principal in its transactions, typically on revenue generated by its franchisees, as the Company assumes the primary risks and rewards of the products or services provided, and assumes the risk of loss on collection.

While payment terms vary by customer, the term between invoicing and when payment is due is not significant. Payment terms typically range between 30 to 60 days, but in any case, not longer than one year. Accordingly, the Company has elected as a practical expedient to not adjust the promised amount of consideration for the effects of a significant financing component. The Company does not have significant contract balances or contract acquisition costs.

Shipping and handling costs - Shipping and handling fees billed to customers are classified as a component of revenue. The costs associated with shipping goods to customers ("freight-out") are included within operating expenses on the accompanying statements of income. Freight-out for the years ended December 31, 2021 and 2020 amounted to \$7,957 and \$4,269, respectively.

WEST SANITATION SERVICES, INC.
dba AeroWest International
(An S Corporation)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Concentrations of credit risk - Accounts that subject the Company to concentrations of credit risk consist of cash and accounts receivable.

The Company believes that the probability of losses from counterparty nonperformance on settlement of accounts receivable transactions is remote and that any such nonperformance would not have any material adverse effect upon the Company's financial position or results of operations. Historically, the Company has not experienced significant losses on trade receivables.

Financial instruments from foreign customers are trade receivables valued in U.S. dollars and are not affected by fluctuations in the customer's currency.

Cash - The Company defines its cash as operating cash held in banks with original maturities of three months or less. The Company maintains its cash at major financial institutions, the balances of which may, at times, exceed federally insured limits; management believes the risk of loss is minimal.

Accounts receivable - The Company carries its accounts receivable at invoiced amounts less an allowance for doubtful accounts. On a periodic basis, the Company evaluates the accounts receivable and establishes an allowance based on a history of past write-offs and collections as well as current credit conditions. The Company evaluates the credit worthiness of its customers and establishes a reserve for collectability. The Company experiences longer accounts receivable cycles in its foreign markets compared to its U.S. markets.

Fair value of financial instruments - Financial instruments primarily consist of cash, accounts receivable, interest-bearing notes and contracts payable, and a line of credit with a bank. The Company estimates that the fair value of its financial instruments at December 31, 2021 and 2020 do not differ materially from their aggregate carrying value recorded in the accompanying balance sheets. Considerable judgment is required in interpreting market data to develop the estimates of fair value and, accordingly, the estimates are not necessarily indicative of the amounts that the Company could realize in a current market exchange.

Fair value measurement - The Company defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company measures fair value under a framework that provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

WEST SANITATION SERVICES, INC.
dba AeroWest International
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Inventory - Inventory is carried at the lower of cost, determined on a first-in, first-out basis, or net realizable value. As of December 31, 2021 and 2020, inventory is comprised of finished goods of \$533,235 and \$471,202 and raw materials of \$172,558 and \$134,807, respectively.

Property and equipment - Property and equipment are carried at cost, net of accumulated depreciation and amortization. Normal maintenance and repairs are expensed as incurred. Expenditures that materially adapt, improve, or alter the nature of the underlying assets are capitalized. Gains and losses on dispositions are included in current operations. Depreciation and amortization is computed using straight-line and accelerated methods based principally on the estimated useful lives of the assets ranging from 5 to 39 years.

Long-lived assets - The Company assesses, using a qualitative then a quantitative approach, the recoverability of long lived assets, including property and equipment, whenever triggering events, or changes in circumstances, indicate that the historical-cost carrying value of an asset may no longer be appropriate. The evaluation is performed by determining whether the depreciation and amortization of such assets over their remaining lives can be recovered through projected undiscounted cash flows. The amount of impairment, if any, is measured based on fair value and is charged to operations in the period in which such impairment is determined by management. During the years ended December 31, 2021 and 2020, the Company recognized no impairment losses on its long-lived assets. However, there can be no assurance that market conditions will not change, which could result in impairment of long-lived assets in the future.

Advertising - Advertising costs are expensed in the period incurred. Advertising expense for the years ended December 31, 2021 and 2020 amounted to \$6,491 and \$63, respectively.

Deferred revenue - Deferred revenue is mostly derived from the sale of franchise routes for odor control and washroom sanitation services. Franchise agreements are for five years and renew annually thereafter. In prior years the sale of franchises were commonly financed by a small down payment and the balance of five-year notes due from the franchisee.

Income taxes - The Company has elected "S" corporation status, which provides for profits and losses to be reported at the individual stockholder level for income tax purposes. The stockholder may require distributions from the Company to fund payment of these taxes. State income tax expense, computed on the basis of transactions entering into the pretax operating results using the applicable tax rates for states in which the Company has operations, is included under the provision for income taxes.

WEST SANITATION SERVICES, INC.
dba AeroWest International
(An S Corporation)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

When tax returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any.

Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than fifty percent likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits along with any associated interest and penalties that would be payable to the taxing authorities upon examination.

As of December 31, 2021 and 2020, the Company had no unrecognized tax benefits, and the Company had no positions which, in the opinion of management, would be reversed if challenged by a taxing authority.

The Company's evaluation of tax positions was performed for those tax years which remain open to audit. The Company may, from time to time, be assessed interest or penalties by the taxing authorities, although any such assessments historically have been minimal and immaterial to the Company's financial results. In the event the Company is assessed for interest and/or penalties, such amounts will be classified as income tax expense and included in the provision for income taxes.

As of December 31, 2021, all federal tax returns since 2018 and state tax returns since 2017 are still subject to adjustment upon audit. No tax returns are currently being examined by taxing authorities.

Reclassifications - Certain amounts presented in previous financial statements may have been reclassified to conform to current presentation.

Subsequent events - Subsequent events have been evaluated by the Company through April 29, 2022, which is the date these financial statements were available to be issued.

WEST SANITATION SERVICES, INC.
dba AeroWest International
(An S Corporation)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable as of December 31 consist of the following:

	<u>2021</u>	<u>2020</u>
Accounts receivable	\$ 361,802	\$ 325,212
Less: allowance for doubtful accounts	<u>(28,214)</u>	<u>(28,214)</u>
	<u>\$ 333,588</u>	<u>\$ 296,998</u>

NOTE 4 - EMPLOYEE RETENTION CREDITS RECEIVABLE

The CARES Act provides an ERC for eligible employers who meet certain requirements under the act. The ERC is a refundable tax credit against certain employer payroll taxes capped at certain qualified wages paid per employee. Additional relief provisions were passed by the U.S. government, which extended and slightly expanded the qualified wage caps on these credits through December 31, 2021. The ERC is calculated on a quarterly basis.

The Company became retroactively eligible for the ERC for the four quarters of 2020 for a total amount of \$114,443 and was eligible for the first quarter of 2021 for an amount of \$113,670. The Company accounted for the ERC's as grants and recorded both the 2020 and 2021 ERC receivables in the later part of 2021 when there was reasonable assurance that any conditions were met and the amounts will be received. The Company filed its amended payroll tax returns claiming the ERC's and is expecting to receive the ERC's in 2022. The income from the ERC's totaling \$228,113 is included in Other Income in the Statement of Income for 2021.

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment as of December 31 consist of the following:

	<u>2021</u>	<u>2020</u>
Machinery and equipment	\$ 785,736	\$ 800,266
Building and improvements	480,750	480,750
Furniture and fixtures	<u>11,877</u>	<u>23,203</u>
	1,278,363	1,304,219
Less: accumulated depreciation and amortization	<u>(868,123)</u>	<u>(853,626)</u>
	410,240	450,593
Land	<u>17,383</u>	<u>17,383</u>
	<u>\$ 427,623</u>	<u>\$ 467,976</u>

WEST SANITATION SERVICES, INC.
dba AeroWest International
(An S Corporation)

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 5 - PROPERTY AND EQUIPMENT, continued

Depreciation and amortization of property and equipment was \$40,353 and \$38,831 for the years ended December 31, 2021 and 2020, respectively.

The Company operates its corporate offices from a building and property it owns in Louisiana.

NOTE 6 - LINE OF CREDIT

The Company has a line of credit with a bank that provides for borrowings up to \$250,000 which is secured by substantially all assets of the Company. Borrowings on the line of credit are personally guaranteed by the stockholders of the Company. Interest on outstanding borrowings is charged, monthly, at variable rates based on the published prime lending rate plus a 1% margin (4.25% as of December 31, 2021). As of December 31, 2021, and 2020, the balances on the line of credit were \$80,000 and \$216,917, respectively.

NOTE 7 - NOTE AND CONTRACTS PAYABLE

The Company has the following notes and contracts payable outstanding as of December 31:

	<u>2021</u>	<u>2020</u>
Note payable to a bank in monthly installments of \$3,419, including interest at 5.35%, secured by substantially all of the Company's assets, maturing September 2028. The note is personally guaranteed by the stockholders of the Company.	\$ 305,340	\$ 329,101
Unsecured note payable to a finance company in daily installments of \$346, including interest at 5.5%, maturing in June 2019. The note was refinanced for an amended loan amount of \$93,000 in June 2019 at the same interest rate. The refinanced note was due in daily installments of \$392, through February 2021.	-	14,129
Note payable to a finance company in monthly installments of \$718, including interest at 3.64%, secured by a vehicle, matured in October 2021.	-	6,362
Note payable to a bank in monthly installments of \$397, including interest at 5.5%, secured by equipment, maturing in December 2023.	9,010	13,158

WEST SANITATION SERVICES, INC.
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 7 - NOTE AND CONTRACTS PAYABLE, continued

	<u>2021</u>	<u>2020</u>
Unsecured working capital loans with a finance company charging a 17% finance fee. Each draw is payable in amortized monthly payments over twelve months.	-	4,755
The Company maintains eight shares of treasury stock on an installment note payable to the estate of the former stockholder of the Company in relation to a previous sale of the Company's stock. The current stockholders have personally guaranteed the repayment of the Company's installment note payable to the estate of the former stockholder. Effective July 1, 2017, the note was amended to require weekly installments of \$1,240, including interest at 5%, and maturing November 2022. Subsequent to year end, the Company decided to pay off the loan early on March 2022.	53,868	114,135
Note payable to a finance company in monthly installments of \$538, including interest at 8.59%, secured by a vehicle, maturing in January 2026.	21,729	26,080
Contracts payable to finance insurance premiums, payable in monthly installments ranging from \$840 to \$2,005 through 2022, including average interest ranging from 9.92% to 12.7%.	<u>10,061</u>	<u>10,398</u>
	400,008	518,118
Less: current portion	<u>(95,617)</u>	<u>(125,602)</u>
	<u>\$ 304,391</u>	<u>\$ 392,516</u>

Future minimum annual principal payments under notes and contracts payable, for the years ending December 31 are as follows:

2022	\$ 95,617
2023	33,591
2024	30,467
2025	32,610
2026	27,527
Thereafter	<u>180,196</u>
	<u>\$ 400,008</u>

WEST SANITATION SERVICES, INC.
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 8 - CARES ACT FORGIVABLE NOTE PAYABLE

In April 2020, the Company obtained a low-interest loan in the amount of \$276,000 from a financial institution, in connection with the SBA Paycheck Protection Program (the “PPP Loan”). In November 2020, \$266,000 of the PPP Loan was forgiven based on the Company’s use of the proceeds for its payroll costs and other expenses in accordance with the requirements of the CARES Act.

In February 2021, the SBA forgave the remaining \$10,000 balance plus any accrued interest that was initially not forgiven in 2020. The financial institution refunded the \$500 payment made by the Company in December 2020.

On February 4, 2021, the Company secured a second PPP Loan of \$276,000, payable over up to five years. The second round of PPP funding has similar circumstance and terms to the first round of funding. In September 2021, the full amount was forgiven based on the Company’s use of the proceeds for its payroll costs and other expenses in accordance with the requirements of the CARES Act.

The amounts forgiven are included in Other Income in the Statements of Income for the years ended December 31, 2021 and 2020.

NOTE 9 - ECONOMIC INJURY DISASTER LOAN PAYABLE

In June 2020, the Company originally obtained an EIDL payable in the amount \$150,000 from the SBA. This amount was increased to \$500,000 in August 2021. The loan accrues interest at 3.75% per annum and requires monthly payments of \$2,500 for principal and interest beginning in December 2022. The loan matures in June 2050. In connection with the loan, the Company entered into a security agreement with the SBA, whereby the Company granted the SBA a security interest in substantially all of the Company’s assets as collateral.

Future minimum annual principal payments under the EIDL payable for the years ending December 31 are as follows:

2022	\$	-
2023		9,669
2024		10,038
2025		10,421
2026		10,818
Thereafter		459,054
	\$	<u>500,000</u>

WEST SANITATION SERVICES, INC.
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Litigation - The Company may be subject to claims and lawsuits that arise in the ordinary course of business. On the basis of information presently available and advice received from legal counsel, it is the opinion of management that the settlement of such claims and lawsuits will not have a material adverse effect on the Company's financial position or results of operations.

Employment agreement - The Company has an employment agreement with a current stockholder effective February 1, 2010, which continues until terminated by the Company or by the current stockholder.

NOTE 11 - RETIREMENT SAVINGS PLAN

The Company has a retirement savings plan (the "Plan"), which qualifies under Section 401(k) of the Internal Revenue Code (the "Code"). Eligible employees may make contributions to the Savings Plan up to the maximum amount allowed under the Code. Subsequent to year-end, the matching percentage of employee contributions is determined for the previous year. The Company made contributions to the Plan during the year ended December 31, 2021 amounting to \$8,892. The Company made no contributions to the Plan during the year December 31, 2020.

EXHIBIT B
FRANCHISE AGREEMENT



AEROWEST FRANCHISE AGREEMENT

AEROWEST FRANCHISE AGREEMENT

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AEROWEST FRANCHISE AGREEMENT

This AeroWest Franchise Agreement (this "Agreement") is made and entered into as of Effective Date (as defined in Section 3.01 and as indicated on the signature page of this Agreement) by and between **West Sanitation Services, Inc.**, a Delaware corporation with its headquarters at 2158 Beaumont Drive, Baton Rouge, Louisiana 70806 ("Franchisor") and _____, [~~choose one and delete this bracket~~] an individual, a corporation, a limited liability company] whose address is _____ ("Franchisee").

RECITALS

As a result of the expenditure of time, skill, effort and money Franchisor has developed a unique and proprietary system ("System") for developing, opening and operating high quality businesses ("AeroWest Businesses"), which provide deodorizing services in personnel or customer traffic zones as well as restroom odor control services by installing and servicing high quality branded odor control systems in plants, hospitals, offices, government and municipal buildings, and various other commercial locations under the AeroWest trademark.

The distinguishing characteristics of the System include Franchisor's brand standards, unique drip dispensing, air circulation and other odor control systems, deodorizing and cleaning methods, policies and procedures for the selection of deodorizing equipment, chemicals and materials, pricing guidelines, employee qualifications and training, customer sales and service programs, business administration support services, technology systems and assistance with advertising, promotion, public relations, and social media programs all of which Franchisor may change, improve and further develop over time. Franchisor expends time, skill and money to investigate and, if Franchisor deems it desirable, to develop and integrate into the System new or substitute products, technology, procedures, systems and service.

Franchisor identifies the System and the AeroWest Businesses operating under the System by means of certain trademarks, trade names, service marks, copyrights and logotypes, including but not limited to the name and mark "AEROWEST" and such other names, marks, logos, insignias, slogans, emblems, symbols and designs as are now designated and may hereafter be designated by Franchisor for use in the System ("Trademarks"). Franchisor continues to develop, use and control the use of the Trademarks in order to identify for the public the source of services and products marketed thereunder and to represent the high standard of quality associated with such services and products.

Franchisee desires to obtain a franchise to use the Trademarks and the System to operate a franchised AeroWest Business in the non-exclusive geographic area described in Exhibit A to this Agreement.

Franchisor desires to grant a franchise to operate a franchised AeroWest business to Franchisee upon the terms and subject to the conditions set forth in this Agreement.

In recognition of all of the details noted above, the parties have decided to enter into this Agreement, taking into account all of the promises and commitments that they are each making to one another in this Agreement, and they agree as follows:

I. GRANT

1.01 Grant

Subject to the terms and conditions of this Agreement, Franchisor hereby grants to Franchisee, and Franchisee hereby accepts, the non-exclusive right to operate one (1) franchised AeroWest Business (the "Franchised Business") in the non-exclusive geographic area described in Exhibit A to this Agreement and a license to use the Trademarks and the System, as it may be changed, improved, modified or further developed from time to time, solely in connection with the Franchised Business in compliance with the operating standards set forth in Franchisor's proprietary operations manual (the "Manual"). Franchisee has

no right under this Agreement to use, and Franchisee shall not use, the System or the Trademarks in connection with any other business, activity, or unapproved items or services.

1.02 Best Efforts

Franchisee agrees that Franchisee will at all times faithfully, honestly and diligently perform its obligations under this Agreement according to our System standards and that Franchisee will continuously exert its best efforts to promote and enhance the Franchised Business.

1.03 Forms of Agreement

Franchisee acknowledge that, over time, Franchisor has entered, and will continue to enter, into agreements with other franchisees that may contain provisions, conditions and obligations that differ from those contained in this Agreement. The existence of different forms of agreement and the fact that Franchisor and its Affiliates and other franchisees may have different rights and obligations does not affect the duties of the parties to this Agreement to comply with the terms of this Agreement.

II. ROUTE

2.01 Non-Exclusive Route

A. Franchisee shall provide deodorizing services in personnel or customer traffic zones and restroom odor control services by installing and servicing high quality branded odor control systems for customers ("Accounts") in plants, hospitals, offices, government and municipal buildings, and various other commercial locations in non-exclusive geographic area identified on Exhibit A to this Agreement (the "Route").

B. Franchisee has the right to advertise and market the services of the Franchised Business and directly solicit Accounts that are located only within the Route. Franchisee shall service all Existing Accounts (if any) initially assigned to Franchisee by Franchisor as of the Effective Date as provided by Section 6.01, any New Accounts assigned to Franchisee by Franchisor during the term of this Agreement as provided in Section 6.02, and all additional Accounts subsequently developed by Franchisee.

C. Franchisee expressly understands and affirms that Franchisee is restricted to the retail sale (as defined below) of all deodorizing and odor control services specified by Franchisor for use in the System to Accounts located within the Route. Under no circumstance may Franchisee sell any products or services through any alternative channels of distribution, such as the internet / worldwide web and other forms of electronic commerce; "800" or similar toll-free telephone numbers; catalogs or any other such alternative channel of distribution. Franchisee is expressly prohibited from engaging in the sale and/or distribution, whether retail or wholesale (as defined below) of any product, equipment or other non-service Component (as defined below) which comprises (or may in the future comprise) a part of the System, or any product related thereto. Finally, Franchisee is expressly prohibited from engaging in the wholesale sale and/or distribution of any service offered under the System. "Retail sale" means any sale by Franchisee made directly to an ultimate consumer. "Wholesale sale and/or distribution" means any sale and/or distribution by Franchisee to a third party for resale, retail sale, or further distribution by said third party. "Component" means any constituent part, ingredient, element, segment or derivative.

2.02 Non-Solicitation of Active Accounts

A. Franchisor agrees that, so long as Franchisee is not in default under this Agreement and any other agreement with Franchisor and/or its subsidiaries and affiliates ("Affiliates"), Franchisor and its Affiliates: (1) shall not solicit business from any of Franchisee's then-active Accounts within Franchisee's Route, and (2) shall cause other AeroWest Business franchisees not to solicit business from any of Franchisee's then-active Accounts within Franchisee's Route.

B. Franchisee shall not solicit business from the then-active Accounts of any other AeroWest Business (whether operated by Franchisor or its Affiliates, joint venture partners, or franchisees) or of any then-active clients that retain the services of one of Franchisor's customers that purchases Franchisor's products to service their facilities (e.g. restaurants that hire janitorial service providers to clean their restrooms).

2.03 Rights Reserved by Franchisor

A. Franchisee expressly understands and agrees that Franchisor and its Affiliates have the right, in their sole discretion:

1. To own and operate (outright, through contract, joint-ventures or otherwise) AeroWest Businesses anywhere whatsoever, including within the Route and within close proximity to Franchisee's Account;

2. To grant franchises and licenses for the operation of AeroWest Businesses anywhere whatsoever, including within the Route and within close proximity to Franchisee's Accounts;

3. To sell products to customers that use Franchisor's products to service locations operated by their clients; and

4. To sell services, products, equipment and chemicals anywhere whatsoever, including within the Route and within close proximity to Franchisee's Accounts, which comprise a part of the System and, in the case of services, which the Franchise Agreement contemplates Franchisee will sell and, to exploit Franchisor's Trademarks, name, reputation and know-how in connection with these sales.

B. Franchisor retains the right to offer and sell under the Trademarks all products or services and/or their components or ingredients -- including those used or sold by the Franchised Business -- through alternate channels of distribution, including the internet/worldwide web; any other form of electronic commerce; "800" or similar toll-free telephone numbers; mail order; telemarketing or other direct marketing sales; television sales (including "infomercials"). Franchisee will receive no compensation for Franchisor's sales through alternative distribution channels, provided, however, that Franchisor shall not make any such sales to any of Franchisee's active Accounts.

C. Franchisor reserves the right to itself offer and sell at retail services which comprise a part of the System to National Accounts. "National Accounts" are Accounts such as large corporations, hospital chains, federal, state and local governmental agencies and any other Account not confined to Franchisee's Route. Franchisor shall provide Franchisee with the opportunity to service any outlets or locations of National Accounts present in the Route at the contractual price and terms agreed to by Franchisor and the National Account. If Franchisee does not wish to service (or is incapable of servicing) the National Account for any reason, then Franchisor (or any other AeroWest Business) can service the National Account in the Route. The procedures governing Franchisor's National Accounts program are set forth in the Manual.

III. TERM AND RENEWAL

3.01 Initial Term

The initial term ("Initial Term") of this Agreement shall be for a period of five (5) years commencing on the date of execution of the Agreement by Franchisor (the "Effective Date"), unless sooner terminated in accordance with the provisions of this Agreement.

3.02 Renewal Term

A. When this Agreement expires, Franchisee will have an option to remain a franchisee and continue to operate the Franchised Business for a renewal term of five (5) years ("**Renewal Term**") if Franchisor is still offering franchises in the geographic area covering Franchise's Route and if Franchisee is in substantial compliance with the terms of this Agreement.

B. In order to be eligible for the Renewal Term, Franchisee must meet the following conditions:

1. Franchisee must give Franchisor written notice of its election to remain a franchisee and continue to operate the Franchised Business for the Renewal Term at least six (6) months and no more than nine (9) months before the end of the Initial Term;

2. Franchisee must not be in default of this Agreement or any other agreement with Franchisor and/or its Affiliates or suppliers, either at the time of giving the notice in Section 3.02.B.1 or during the remainder of the Initial Term; and

3. Franchisee must comply with Franchisor's then-current qualification and training requirements for new AeroWest Business franchisees.

C. If Franchise is eligible and Franchisee elects to remain a franchisee for the Renewal Term, Franchisee and its owners must: (1) sign Franchisor's then-current form of franchise agreement (modified as necessary to reflect the fact that it is a renewal franchise agreement), which will supersede this Agreement in all respects and which may provide for higher fees, fees not included in this Agreement, and other terms and conditions materially different from the terms of this Agreement; (2) sign a general release, in a form Franchisor prescribes, of any and all claims against Franchisor, its Affiliates, and their respective past and present officers, directors, shareholders, and employees, in their corporate and individual capacities; and (3) pay Franchisor a renewal fee in an amount equal to Five Hundred Dollars (\$500) of Franchisor's then-current initial franchise fee ("**Renewal Fee**"). Franchisee's failure to sign the renewal franchise agreement and general release and return these documents to Franchisor with the Renewal Fee prior to the expiration of the Initial Term will be deemed an election by Franchisee not to exercise its right to remain a franchisee for the Renewal Term and will result in the expiration of this Agreement and the franchise granted by this Agreement at the end of the Initial Term.

IV. FEES AND PAYMENTS TO FRANCHISOR

4.01 Initial Franchise Fee

In consideration of the execution of this Agreement by Franchisor, Franchisee shall pay Franchisor an Initial Franchise Fee of Twenty Five Thousand Dollars (\$25,000) which shall be payable in full upon the execution of this Agreement. Franchisor shall provide Franchisee with an initial startup package of inventory items as a part of the payment of the Initial Franchise Fee. The Initial Franchise Fee shall be deemed fully earned when paid and is not refundable in whole or in part.

4.02 Account Assignment Fees

A. If Franchisee's Route is in an area in which Franchisor has Existing Accounts (as defined in Section 6.01 below) that Franchisor assigns to Franchisee as of the Effective Date, then Franchisee must pay an additional upfront assignment fee to Franchisor in an amount equal to thirty-eight percent (38%) of the aggregate Annualized Gross Billing Value (as defined below) of those Existing Accounts ("Existing Account Assignment Fee"). The amount of the Existing Account Assignment Fee to be paid by Franchisee and the identification of the Existing Accounts assigned to Franchisee are identified in Exhibit C to this Agreement. The Existing Account Assignment Fee shall be payable in full upon the execution of this

Agreement and is not refundable in whole or in part. If Franchisor has no Existing Accounts in the Route to assign to Franchisee, then Franchisee shall pay no Existing Account Assignment Fee.

B. Franchisor may, in its sole discretion, offer to assign to Franchisee New Accounts (as defined in Section 6.02 below). Franchisee shall have no obligation to accept the offer of any such assignment, but if Franchisee does so, then Franchisee shall pay Franchisor a one-time assignment fee (the "New Account Assignment Fee") of thirty-eight percent (38%) of the Annualized Gross Billing Value of each such New Account assigned, payable no later than the last day of the Settlement Period (as defined in Section 4.03.C) in which the effective date of such assignment occurs. Franchisee shall pay no New Account Assignment Fees for any Account that Franchisee secures for itself without the assistance of Franchisor.

C. The "Annualized Gross Billing Value" for each Account assigned to the Franchised Business shall be the greater of the Account's actual annual billing for the past twelve (12) months or thirteen (13) times the Account's then-current contractual billing rate for a four (4) week period (no matter whether Franchisor bills the Account annually or on a 4-week basis).

4.03 Business Administration Support Services and Fee

A. In order to enable Franchisee to concentrate on sales and service activities for the Franchised Business, Franchisor shall provide Franchisee with business administration support services. To enable Franchisor to perform these services, each week Franchisee shall electronically submit to Franchisor all written information required by Franchisor on the forms prescribed by Franchisor; exact copies of all new orders and contracts secured by Franchisee; service receipts and, any other information and records Franchisor reasonably requires. Franchisee shall electronically submit such information and records for the last service week (ending the previous Saturday) by Monday of the following week.

B. Franchisor shall issue service tickets, reports, billings, and receivables statements to Accounts and perform collections (except for C.O.D. Accounts, which Franchisee will handle) and certain other tax and administration duties on behalf of the Franchised Business. Each week Franchisor shall furnish Franchisee with electronic service tickets and reports for each of Franchisee's Accounts and summary reports for the week. In addition, Franchisor shall send Franchisee a monthly accounting statement of income and expenditures and an annual Form 1099.

C. Commencing on the Effective Date and continuing during the term of this Agreement, in order to compensate Franchisor for the business administrative support services and in consideration of Franchisor's grant to Franchisee of a license to use Franchisor's Trademarks and System, Franchisee shall pay Franchisor a Business Administration Fee in the amount of thirty-two percent (32%) of the Gross Billings (as defined below) of the Franchised Business. The Business Administration Fee includes a royalty fee (five and one-half percent (5.5%) of Gross Billings); an administrative, billing and collections fee (nineteen percent (19%) of Gross Billings); a marketing fee (five percent (5%) of Gross Billings); and a technology support/research and development fee (two and one-half percent (2.5%) of Gross Billings). The Business Administration Fee shall be due from Franchisee by the end of four- or five-week accounting period ("Settlement Period").

D. The term "Gross Billings," as used in this Agreement, means the amount of all Account charges, including (without limitation) charges for labor and materials, billed by Franchisor on behalf of Franchisee from, through, by or on account of the operation of the Franchised Business. There shall be deducted from Gross Billings for purposes of said computation the amount of all sales tax receipts or similar tax receipts which, by law, are chargeable to Accounts.

4.04 Leads

In order to grow the Franchised Business, Franchisor may, in its sole discretion, provide Franchisee with sales leads and set appointments in coordination with Franchisee with potential Accounts in Franchisee's Route.

4.05 Additional Amounts Owed to Franchisor

In addition to all other payments provided for in this Agreement, Franchisee shall pay to Franchisor (or its Affiliates) immediately upon demand by Franchisor, and Franchisor shall have the right to deduct and remit to itself from monies due Franchisee: (1) all amounts advanced by Franchisor, or which Franchisor has paid, or for which Franchisor has become obligated to pay on behalf of Franchisee for any reason whatsoever; (2) all amounts due to Franchisor, or its Affiliates, for products or services purchased by Franchisee from Franchisor or its Affiliates; and, (3) the amount of all sales taxes, use taxes, personal property taxes and similar taxes imposed upon, required to be collected, or paid by Franchisor on account of products or services furnished by Franchisor to Franchisee through sale, lease or otherwise, or on account of collection by Franchisor of the Initial Franchise Fee, New Account Assignment Fee, Business Administration Fee, or other fees called for by this Agreement.

4.06 Method of Payment

A. If Franchisee submits service receipts (work tickets) for its Accounts on time, Franchisor will bill Franchisee's Accounts upon receipt of the signed service receipt (work ticket). Franchisee specifically authorizes Franchisor to deduct from such billings and retain for itself all amounts due and owing to Franchisee by Franchisor or its Affiliates. At the end of each Settlement Period, Franchisor will: (1) adjust the total Gross Billings contracted for by Franchisee's Accounts for the Settlement Period by deducting canceled Accounts and other changes, and adding new Accounts, services carried over from past weeks, etc.; (2) deduct the Business Administration Fee, all other money owed by Franchisee to Franchisor, and all refunds, chargebacks, credits and allowances Franchisee gave to Accounts; and (3) send Franchisee the balance owing to Franchisee following these adjustments.

B. Franchisee shall collect and remit all C.O.D. charges for services rendered by Franchisee to Franchisor on a weekly basis by personal check or money order, and Franchisor shall deduct the Business Administration Fee for these charges from monies due Franchisee at the end of each Settlement Period.

C. Franchisee shall use its best efforts to support Franchisor's account receivable efforts in collecting monies after invoicing the Accounts. If unsuccessful in collecting the owed monies, in whole or in part after ninety (90) days after invoicing, Franchisor will have the right to deduct the full Gross Billing amount attributable to the Account from money it otherwise owes Franchisor, without having to wait for the eventual success or failure of Franchisee's collection attempts. Accounts receivable collection efforts may continue. Should the collection effort eventually prove successful, Franchisor will credit back the required amount to Franchisee in the next Settlement Period.

D. If Franchisor advances Franchisee money based on Accounts Franchisee submits to Franchisor for billing before Franchisor collects amounts due from the Accounts, Franchisee shall reimburse Franchisor for the Gross Billing amount attributable to the Account(s) which Franchisor subsequently determines in good faith to be uncollectible after ninety (90) days. Franchisor shall have the right to deduct these payments from any monies due Franchisee.

4.07 Minimum Performance Requirement

Franchisee shall use its best efforts to secure additional Accounts that can be properly served by Franchisee, and to develop and expand the market for the services offered by the Franchised Business in

the Route. If the Franchised Business fails to experience year on year growth of five percent (5%) or more in the Route, Franchisor has the right terminate this Agreement.

V. TRAINING AND SUPPORT

5.01 Initial Training Program

A. Prior to the opening of the Franchised Business but no later than one (1) month after the Effective Date, Franchisor will offer and Franchisee's Managing Owner (as defined in Section 7.04.A) will be required to attend and successfully complete Franchisor's initial training program (the "Initial Training Program"). If Franchisee's Managing Owner will not oversee the day-to-day business operations of the Franchised Business, Franchisee must designate a manager who is satisfactory to Franchisor ("Authorized Manager") who also must attend and successfully complete the initial training program. The Initial Training Program will last up to three (3) weeks and will consist of training at Franchisor's corporate office, immersion training in the field, and additional on-the-job training near Franchisee's Route. The cost for the Initial Training Program is included in the Initial Franchise Fee. Franchisor will pay for Franchisee's transportation, housing and meals during the training held at Franchisor's corporate office.

B. If Franchisee operates another AeroWest Business or if Franchisee's Managing Owner has been employed by Franchisor, Franchisor may provide the Initial Training Program after Franchisee opens the Franchised Business. Franchisor may vary the length and components of the Initial Training Program depending on Franchisee's experience.

5.02 Staff Training

To ensure the consistency of Franchisor's business applications and model, Franchisee's Managing Owner must train any employees or independent contractors that will service any Accounts of the Franchised Business using Franchisor's training materials. Franchisee must prepare and forward to Franchisor all log sheets demonstrating the attendance and completion of all required training modules by Franchisee's trainees.

5.03 Sales Support

Following the commencement of operation of the Franchised Business, and the completion of the required Initial Training Program, Franchisor shall provide to Franchisee certain sales support assistance as Franchisor in its sole and exclusive discretion deems advisable. The sales support assistance will include help in improving Franchisee's sales and servicing techniques, telephone marketing, general operating procedures, and any other assistance reasonably necessary to operate the Franchised Business. Franchisor's representatives may render such sales support assistance on-site, off-site, telephonically or through other communication devices.

5.04 Refresher Training

General training, periodic refresher training and new product training is critical to remaining current, mastering the required successful service and sales concepts, learning about the new products as well as improving and growing the AeroWest brand along with the Franchised Business. Franchisor will offer periodic refresher training information that Franchisee's Managing Owner and any employees that Franchisor reasonably designates must review.

5.05 Franchisee Meetings

Franchisee's Managing Owner must attend any franchisee meetings that Franchisor specifies. Franchisor will pay all hotel and meal expenses for the franchisee meetings and Franchisee shall be responsible for all transportation costs.

5.06 Delegation and Control

A. Franchisor has the right to delegate the performance of any portion or all of its obligations and duties under this Agreement to its designees, whether affiliates or agents of Franchisor or independent contractors with whom Franchisor has contracted to provide this service.

B. Notwithstanding anything to the contrary in this Section 5, Franchisor and Franchisee recognize and agree that Franchisor does not exercise any day-to-day control over the operation of the Franchised Business, including, but not limited to, the hiring and firing of employees.

VI. OBLIGATIONS OF FRANCHISOR

6.01 Assignment of Existing Accounts

A. Franchisor may, in its sole discretion, assign Accounts existing in the Route as of the Effective Date that have not been assigned to any other AeroWest Business ("Existing Accounts") to the Franchised Business and shall identify such Existing Accounts on Exhibit C to this Agreement. Such assignment shall become effective as of the Effective Date. Franchisee shall pay Franchisor the Existing Account Assignment Fee provided under Section 4.02.A as compensation for assigning these Existing Accounts to the Franchised Business. Franchisee understands and agrees that Franchisor shall have no obligation to assign to the Franchised Business any specific number of Existing Accounts, or any Existing Accounts at all (if Franchisor has no Existing Accounts in Franchisee's Route or if such Accounts have been assigned to another AeroWest Business whose route overlaps with Franchisee's Route).

B. Within a reasonably prompt time after the Effective Date, Franchisor shall supply equipment to Franchisee at no charge to repair and/or replace any broken or damaged dispensers for the Existing Accounts and Franchisee shall make such repairs and/or replacements. Franchisee understands and agrees that Franchisor's obligation to supply such equipment shall apply only to those customers initially assigned to Franchisee as of the Effective Date, and not to any New Accounts subsequently assigned to Franchisee pursuant to Section 6.02 below.

6.02 Assignment of New Accounts

Franchisor may establish and develop new Accounts in Franchisee's Route ("New Accounts") and enter into standard orders or contracts with each New Account providing for the supply of products or services by Franchisor or its nominee. Franchisor may offer to assign to Franchisee during the term of this Agreement such New Account orders, contracts and agreements in Franchisee's Route that Franchisor determines (in its sole and exclusive discretion) can be properly serviced by Franchisee. If Franchisee accepts the offer of any such assignment, then Franchisee shall pay Franchisor the New Account Assignment Fee for each such New Account as provided under Section 4.02.B as compensation for assigning these New Accounts to Franchisee.

6.03 Franchisee's Acknowledgments and Waivers Concerning Account Assignment

A. Franchisee specifically waives any claims, demands or damages (including, without limitation, any claimed breach of the implied covenant of good faith and fair dealing) arising from the following facts, which Franchisee hereby acknowledges are due to the inevitable and significant economic, social and demographic variability of markets; the need to achieve economies of scale; the relative effectiveness of Franchisee and of other AeroWest Business franchisees; and/or, the number of AeroWest Business franchises which Franchisor, in its sole and exclusive discretion, anticipates granting in any region:

1. The fact that Franchisee may be initially or subsequently assigned substantially more or fewer Existing Accounts or New Accounts pursuant to Sections 6.01 and 6.02 of this Agreement than are initially or subsequently assigned to another franchisee (or no Accounts at all);

2. The fact that following any initial assignment of Existing Accounts pursuant to Section 6.01 of this Agreement, Franchisor shall have no further obligation pursuant to Section 6.02 to assign Franchisee any specific number of New Accounts, or any New Accounts at all, if Franchisor has not entered into standard orders or contracts with New Accounts in Franchisee's Route, and/or if Franchisor determines (in its sole and exclusive discretion) that such orders or contracts cannot be properly performed by Franchisee; and,

3. The fact that Franchisor has no obligation to replace any assigned Existing Accounts that may cease operations within Franchisee's Route or that may cease to use the services offered by the Franchised Business.

B. Franchisee agrees that Franchisor alone shall resolve any disputes between Franchisee and any other AeroWest Business franchisee (or Franchisor itself) concerning the assignment of Accounts; solicitation and contract procurement activities; and, any other dispute arising under or related to the provisions of Sections 2.02, 2.03, 6.01, 6.02 and 6.03 of this Agreement.

6.04 Loan of Manual

A. Franchisor shall lend to Franchisee one (1) copy of the Manual, or electronic access to the Manual, before Franchisee attends the Initial Training Program. Franchisee shall conduct the operation of the Franchised Business in strict compliance with Franchisor's operational systems, procedures, policies, methods and requirements as prescribed from time to time in the Manual, including in any modifications and supplements thereto.

B. The subject matter of the Manual may include (but need not be limited to nor necessarily include all of) the following matters: components, requirements, duties, standards, procedures, policies, systems, techniques, guidelines and specifications pertaining to the System and to the operation of a franchised AeroWest Business; toilet deodorizing, cleaning and disinfecting methods and procedures; specifications and standards for equipment, chemicals and materials; sales, marketing and telemarketing methods; services embraced by the System and authorized for sale by Franchisee; deodorizing and odor control services programs, procedures and guidelines; quality assurance programs; recordkeeping and reporting systems and materials; proprietary brochures; management and control systems; authorized or required chemicals and equipment; hours of operation; required uses of the Trademarks; insurance requirements; license requirements; provision of auxiliary service personnel; required attire; required manner of offering and selling AeroWest programs and services; customer satisfaction; training specifications; and, additions to, deletions from, to and variations of the programs, services, products and other components constituting the AeroWest System, including standards and specifications relating thereto.

C. Franchisor retains the right to prescribe additions to, deletions from or revisions of the Manual which shall become binding on Franchisee upon being mailed or otherwise delivered to Franchisee as if originally set forth therein; provided, however, that the Manual, and any additions, deletions or revisions thereto, shall not alter Franchisee's rights and obligations under this Agreement. The Manual shall at all times remain the property of Franchisor. Franchisee, its agents, independent contractors, and employees shall at all times treat the Manual and the information contained therein as confidential, and shall use all reasonable efforts to maintain such information as secret and confidential.

D. At Franchisor's option, Franchisor may post some or all of the Manual on a restricted website to which Franchisee will have access. If Franchisor does so, Franchisee agrees to monitor and access the website for any updates to the Manual. Prior to accessing Franchisor's restricted website, Franchisee and any of its employees must agree to abide by Franchisor's terms of use, which Franchisor may revise from time to time. Any passwords or other digital identifications necessary to access the Manual constitute confidential information owned by Franchisor.

6.05 Forms

Franchisor shall supply Franchisee with various electronic forms, including (without limitation) account and remittance report forms, work tickets, and other service forms. Franchisor will provide Franchisee at no charge with an initial supply of sales brochures and with a reasonable number of sales brochures on an on-going basis; however, if Franchisee needs a large number of sales brochures (for a mass mailing, for example), Franchisee may order such brochures from Franchisor and Franchisee must pay for Franchisor's costs to produce the brochures.

6.06 New Services, Products and Technology

Franchisor shall from time to time offer Franchisee, for no additional fee: (1) the right to use any new technology, products, services, systems, techniques, procedures or methods that may have been developed by or made available to Franchisor and which Franchisor determines to incorporate in the System, and (2) the opportunity to purchase from Franchisor for use in the Franchised Business any System products, equipment, chemicals and materials incorporating such new technology, products, services, systems, techniques, procedures or methods.

6.07 Advertising

Franchisor may advertise the services offered by AeroWest Businesses under the System through trade shows, industry magazines, professional memberships, press releases, website management, multiple social media platforms, and to the trade press. Franchisor may provide Franchisee with any sales leads in Franchise's Route that Franchisor develops from its advertising efforts.

VII. DUTIES OF FRANCHISEE

7.01 Commencement of Operations

Franchisee agrees to commence the operation of the Franchised Business no later than the date set forth on Exhibit A to this Agreement (the "Commencement Date").

7.02 Manner of Operation

A. Franchisee shall at all times conduct the activities and operations of the Franchised Business in compliance with the System, including all standards, procedures and policies as Franchisor may from time to time establish (in its Manual or otherwise), as though all were specifically set forth in this Agreement, and shall offer and sell to the public all services, and disseminate to the public all promotional and other materials, as are specified by Franchisor.

B. Franchisee expressly understands and agrees that Franchisor may from time to time change the components of the System, including, but not limited to, altering the technology, products, methods, standards, forms, policies and procedures of that System; adding to, deleting from or modifying those services which the Franchised Business is authorized to offer; adding to, deleting from or modifying those products, chemicals, equipment and services which the Franchised Business is authorized to utilize; and, changing, improving or modifying the Trademarks. Subject to the other provisions of this Agreement, Franchisee expressly agrees to abide by any such modifications, changes, additions, deletions and alterations, provided, however, that such changes do not materially and unreasonably increase Franchisee's obligations under this Agreement.

7.03 Inspection

Franchisee agrees that Franchisor, or any of its authorized agents or representatives, may at any time during normal business hours visit and enter upon any location(s) and premises at which Franchisee

is rendering or has rendered service(s) to Accounts pursuant to this Agreement to determine compliance with this Agreement and with the Manual, policies, procedures, programs, standards, specifications and techniques. Following such inspections, in the event that in Franchisor's determination Franchisee's services and operation do not meet Franchisor's standards for the System, Franchisee agrees to incorporate into the Franchised Business any changes, corrections or modifications required by Franchisor to maintain the standards of quality and uniformity prescribed by Franchisor in its Manual or otherwise.

7.04 Management of the Franchised Business

A. Franchisee must designate one of its owners as its "Managing Owner" who must successfully complete the Initial Training Program. The Managing Owner will be the person with whom Franchisor will communicate and whom will have the authority to bind Franchisee with respect to all financial, operational, and legal matters related to the Franchised Business and this Agreement. Franchisee must designate a replacement within thirty (30) days after the Managing Owner cease to qualify as a Managing Owner. The replacement must be approved by Franchisor and must successfully complete the Initial Training Program within thirty (30) days of being appointed.

B. The Managing Owner shall be responsible for and shall directly and personally conduct and operate the Franchised Business, unless otherwise permitted in writing by Franchisor. If the Managing Owner is ill or otherwise temporarily unable to operate the Franchised Business personally, Franchisee shall appoint an Authorized Manager who is satisfactory to Franchisor. If Franchisee does not have an Authorized Manager, Franchisee shall immediately so advise Franchisor and Franchisor shall use its best efforts to help Franchisee find a way or person to service Franchise's Accounts until the Managing Owner can directly operate the Franchised Business again. If the Managing Owner becomes permanently incapacitated, then the provisions of Section 11.04 of this Agreement will apply.

C. From the date of the incapacity of the Managing Owner until an Authorized Manager assumes control of the Franchised Business (or, if no Authorized Manager can be found, until the Managing Owner resumes control), Franchisor may, at its sole option, assume full control of and operate the Franchised Business. During such period of time, Franchisor will deduct its operating costs for labor and materials and its expenses for travel, lodging, meals, and all other expenses and fees from the Gross Billings of the Franchised Business and shall pay itself a management fee equal to fifteen (15%) percent of the Gross Billings of the Franchised Business for such period of operation, which fee shall be in addition to the Business Administration Fee due to Franchisor. Remaining funds (if any) will then be remitted to Franchisee according to the procedures set forth in Section 4.06 (less any other Franchisor deductions provided for under this Agreement). Any deficiency in sums due to Franchisor under this Section 7.04.C shall be paid by Franchisee to Franchisor within ten (10) days of Franchisor's rendering a notice of such deficiency to Franchisee. Franchisor shall not be obligated to so operate the Franchised Business and, if it does, Franchisor shall not be responsible for any operational losses of the Franchised Business, nor shall it be obligated to continue operation of the Franchised Business.

7.05 Compliance with Laws, Rules and Regulations

Franchisee shall operate the Franchised Business in strict compliance with all applicable laws, rules and regulations of all governmental authorities; shall comply with all applicable wage, hour, fringe benefit and other laws and regulations of the federal, state and local governments with respect to any and all full-time or part-time employees of Franchisee as well as the Managing Owner and; shall prepare and file all necessary tax returns; shall pay all taxes imposed upon Franchisee related to the Franchised Business; and, shall obtain and keep in good standing all necessary licenses, permits and other required forms of governmental approval required of Franchisee to offer and sell those services which are part of the System or which may, in the future, be made a part of the System.

7.06 Proprietary Products and Services

A. To provide deodorizing and odor control services of the highest quality, to guarantee uniformity of concept and quality, and to protect the trade secrets of Franchisor, Franchisee is required to

purchase from Franchisor and to utilize all dispensers and other proprietary chemicals and all related products, services and equipment which now comprise, or in the future may comprise, a part of the System which were developed by, are proprietary to or kept secret by Franchisor. Franchisor shall charge Franchisee its standard cost for such proprietary items, which shall be the actual cost to Franchisor plus an administrative fee to support Franchisor's inventory and distribution expenses, which shall not exceed 20% of the cost of the item in question. Franchisor shall have the right to deduct and pay itself the cost of these purchases from charges it collects from Franchisee's Accounts for services performed by Franchisee.

B. Franchisor warrants that proprietary products, equipment or chemicals (collectively, "items") purchased by Franchisee meet Franchisor's specifications for such items. Franchisor neither makes nor intends, nor does it authorize any agent or representative to make, any other warranties, express or implied, with respect to proprietary items delivered hereunder, and it expressly excludes and disclaims all implied warranties of merchantability and fitness for a particular purpose with respect to proprietary items delivered hereunder. Franchisee's exclusive remedy and Franchisor's exclusive liability for any and all claims as to any items delivered hereunder or for delayed delivery or non-delivery of any such items, shall be limited to the purchase price of the items with respect to which such claim is made (plus shipment costs, if any, paid by Franchisee for such items) or, at Franchisor's option in the case of items delivered hereunder, the replacement of such items at Franchisee's destination. In no event shall either party be liable for special, incidental, indirect or consequential damages, whether or not caused by or resulting from the negligence of such party.

C. If Franchisee is in default under this Agreement, Franchisor shall have no obligation whatsoever to sell any proprietary or non-proprietary products, equipment, chemicals or services to Franchisee. Franchisee shall not thereafter have any right to offer or sell services, and Franchisee shall not, as a result thereby, have a defense at law or equity based upon impossibility of Franchisee's performance, nor shall Franchisee as a result have any claim against Franchisor.

7.07 Non-Proprietary Products and Services

A. To insure uniform quality and performance under the System, all non-proprietary cleaners, disinfectants, chemicals, supplies, uniforms and other materials, products and services used by Franchisee in the operation of the Franchised Business shall meet Franchisor's current standards and specifications for quality, performance and safety and shall be purchased by Franchisee only from suppliers currently approved by Franchisor, or from suppliers selected by Franchisee and approved by Franchisor (following the procedures set forth below). Franchisor's standards, specifications and approved suppliers shall be set forth in the Manual or in other written communications to Franchisee. Franchisor may modify the standards, specifications and approved suppliers in writing from time to time in its sole and exclusive discretion.

B. Franchisor may, if in its sole and exclusive discretion it determines to do so, offer and sell to Franchisee any or all non-proprietary fluids, cleaners, disinfectants, chemicals, supplies materials, products and services at such prices as Franchisor determines and sets forth at the time of sale, in its Manual or otherwise. Franchisee is under no obligation to purchase any such non-proprietary products from Franchisor. Franchisor shall charge Franchisee a price which shall be the actual cost to Franchisor plus an administrative fee to support Franchisor's inventory and distribution services, not to exceed 20% of the cost of the item in question. Franchisor shall have the right to deduct and pay itself the cost of these purchases from charges it collects from Franchisee's Accounts for services performed by Franchisee.

7.08 Supplier Review Process.

A. Franchisor will exercise its right of approval of suppliers selected by Franchisee in accordance with the following procedure:

1. Franchisee or the supplier shall submit a written request to Franchisor for approval of the supplier and its product, together with a sample and specifications for the product in question;

2. The supplier must demonstrate to Franchisor's reasonable satisfaction that it is able to supply a product to Franchisee meeting Franchisor's standards and specifications;

3. Franchisor shall have the right to test and analyze the proposed product at Franchisor's expense, regardless of whether Franchisor subsequently approves or rejects such supplier and product; and,

4. If Franchisor approves, denies or revokes approval of any supplier, it will give Franchisee written notice thereof. Franchisee understands and agrees that, in order for Franchisor to adequately test certain products' performance over time, it may be necessary for the testing period to take some time before Franchisor can render its approval or disapproval.

7.09 Restrictions Relating to Products and Services

A. Franchisee shall offer and sell all services which are a part of the System, and all other services which may in the future be incorporated into the System. Franchisee shall utilize all mandatory products, chemicals, equipment and services which are part of the System, and all other mandatory products, chemicals, equipment and services which may in the future be incorporated into the System. Franchisee is expressly prohibited from offering or selling any service or product which is not part of the System. Franchisee may not use the Trademarks or Franchisee's association with the Trademarks for the benefit of any business other than the Franchised Business.

B. Franchisor may require Franchisee to discontinue the offering and sale of any program or service or the use of any product, equipment, chemicals, supplies, materials or service, which, in Franchisor's opinion, does not conform to the technical, quality, ethical, visual, olfactory or other standards or specifications established by Franchisor.

C. As Section 2.01 provides, Franchisee is restricted to the retail sale (as defined in Section 2.01) of all deodorizing and odor control services authorized for use in the System. Franchisee is expressly prohibited from engaging in the sale and/or distribution, whether retail or wholesale (as defined in Section 2.01) of any product, equipment or other non-service component which comprises (or may in the future comprise) a part of the System, or any product related thereto. Finally, Franchisee is expressly prohibited from engaging in the wholesale sale and/or distribution of any service, service component of the System, or any service related thereto.

7.10 Product Identification; Safety

Franchisee is required to prioritize the safety and stewardship of products used to service Accounts, as well as the safety of individuals utilizing restrooms of an Account serviced by Franchisee, and shall facilitate appropriate emergency response in case of exposure to potentially dangerous products. Franchisee is responsible for maintaining all deodorizing products, chemicals, oils, and fluids used in conjunction with services provided to Accounts. All such products and chemicals must be clearly identified.

7.11 Weekly Service Schedules

In order that Franchisee shall best be able to meet customer service needs, Franchisee hereby agrees to comply with the weekly service schedules prepared by Franchisor based on Accounts' scheduling and service requests and issued to Franchisee. Franchisee will decide the best routing of the Accounts for every weekly schedule. Also, Franchisee may change the week in which an Account is scheduled to be serviced provided that the Account is agreeable to the change and Franchisee immediately notifies Franchisor of the change. Franchisee further agrees to immediately notify Franchisor of Franchisee's inability to adhere to any such schedule and of any modifications to any schedule or services requested by any Account.

7.12 Account Contracts and Order Forms

Franchisee shall use all Account contracts, order forms and other forms in paper or electronic form as specified by Franchisor in the conduct of the Franchised Business. All Account contracts shall contain a clause permitting Franchisor to take an assignment of such Account contract in the event that Franchisee is in default of this Agreement, Franchisor terminates this Agreement, or this Agreement expires.

7.13 Pricing

Franchisor shall from time to time relay market related selling prices for products and services offered and sold by AeroWest Businesses. Franchisor and Franchisee agree that any such suggested prices or suggested schedule of prices shall be deemed to be informational only. Franchisee shall have sole discretion as to the prices to be charged to its Accounts for products and services offered by the Franchised Business. If Franchisee elects to service a National Account in the Route, Franchisee may be restricted to pricing terms negotiated by Franchisor for that National Account.

7.14 Tax Returns

Upon request by Franchisor, Franchisee shall submit to Franchisor a copy of Franchisee's federal income tax returns within thirty (30) days after filing.

7.15 Notification of Claims

Franchisee shall notify Franchisor of all claims or demands against Franchisee, the Franchised Business and/or Franchisor within three (3) days of Franchisee receiving actual notice of any such claim or demand. Franchisee agrees to respond to all claims within the time required by law, rule or regulation. Franchisee shall cooperate with Franchisor (or its designee) in every fashion possible to defend Franchisor and Franchisee against all claims. Franchisee shall, when necessary, make appearances at governmental agency, administrative, or other hearings to present or reinforce such defenses.

7.16 Transportation; Vehicle

Franchisee shall provide the transportation necessary and suitable for the operation of the Franchised Business. If Franchisee utilizes a motor vehicle in connection with the operation of the Franchised Business, then Franchisee shall at all times keep such vehicle clean and in good working order. Franchisee shall not engage or utilize any individual in the operation of a motor vehicle in connection with providing services hereunder who is under the age of eighteen (18) years (or the minimum age, if any, required by Franchisee's insurer to obtain the automobile liability insurance required by Section 9.02 of this Agreement) or who does not possess a valid driver's license under the laws of the state(s) in which Franchisee provides such services. Franchisee shall require each such individual to comply with all laws, regulations and rules of the road and to use due care and caution in the operation and maintenance of motor vehicles. Except as noted above, Franchisor does not set forth any standards or exercise control over any motor vehicles utilized by Franchisee.

7.17 Advertising

A. Franchisee must use its best efforts to advertise the services offered by the Franchised Business. Franchisee shall only use such advertising, identification and promotional materials and programs which have been furnished by Franchisor or approved in writing in advance by Franchisor as provided for below. Franchisee shall conduct all advertising which utilizes the Trademarks or refers in any way to the Franchised Business (regardless of medium) in a dignified manner and shall conform such advertising to the standards, specifications and requirements specified in writing by Franchisor, in its Manual or otherwise.

B. Except for any advertising, identification and/or promotional materials which may be suggested or furnished to Franchisee by Franchisor, Franchisee shall -- prior to use or dissemination -- submit to Franchisor for its approval (which may be withheld for any or no reason) true and correct copies of all proposed local advertising and direct mail materials (whether print or broadcast) and all proposed identification and promotional materials or programs. Franchisor's failure to respond within ten (10) business days following the documented receipt of Franchisee's proposed advertising material shall be deemed to constitute Franchisor's rejection of such materials.

C. Franchisee may not operate any independent websites or use any social media accounts to promote the Franchised Business without Franchisor's prior written approval.

7.18 Innovations

Franchisee hereby agrees and affirms all deodorizing and odor control services, products, technologies, equipment and/or programs, and any services or products related thereto, whether or not they are patented or patentable, and any sales, marketing or promotional programs or campaigns concerning same, which are developed by or on behalf of Franchisee in conjunction with, for use in, arising from or related to the Franchised Business (collectively referred to hereinafter as "Innovations") must be promptly disclosed to Franchisor for incorporation in the System and subsequent use by Franchisor, its Affiliates and, if Franchisor determines, for use by other AeroWest Businesses. All such Innovations will be deemed to be Franchisor's sole and exclusive property and works made-for-hire for Franchisor. Franchisee agrees to: (1) sign the assignment and/or other documents Franchisor requests in order to implement this clause in order to evidence Franchisor's ownership; (2) cause its owners, employees and contractors to sign such assignment documents as Franchisor may request for this purpose; and (3) assist Franchisor in securing intellectual property rights in such Innovations.

VIII. TECHNOLOGY SYSTEMS AND DATA

8.01 Technology Systems

A. Franchisor has the right to specify or require that certain brands, types, makes, and/or models of communications, computer and technology systems, and hardware to be used by, between, or among AeroWest Businesses, and in accordance with Franchisor's standards, including without limitation: an office computer; computer tablets for servicing Accounts within the Route; computer related equipment; communications devices; high speed internet service; printers; telephone, voice messaging, retrieval, and transmission systems; and audio/visual equipment and software systems that Franchisor specifies in writing from time to time. Franchisee must maintain an electronic connection between Franchisee's systems and Franchisor's systems and provide Franchisor with all user IDs and passwords necessary for Franchisor to independently access files and other information stored on Franchisee's systems; must use the systems in accordance with all policies and operational procedures Franchisor issues from time to time; must transmit data to Franchisor at the times Franchisor specifies; must maintain Franchisee's systems in good working order at all times; must promptly install upgrades, additions, changes, modifications, substitutions and/or replacements of hardware, software, data connectivity, electrical power, and other computer-related facilities as Franchisor directs, which upgrades shall not be required more often than once a year; and must ensure that Franchisee's employees are adequately trained in the use of such systems and Franchisor's related policies and procedures. Franchisee must not install any software to Franchisee's systems that Franchisor have not authorized, including virus software and firewalls. Franchisee must bear all costs of installation, operation, maintenance and upgrade of Franchisee's systems.

B. Franchisor has the right, but not the obligation, to develop or have developed, or to designate, software programs that Franchisee must use in connection with Franchisee's computer systems. Franchisee must install all such software, including any updates, supplements, modifications, or enhancements that Franchisor require. Franchisor and Franchisor's suppliers may charge a reasonable software license fee for any software that Franchisee is required to use.

C. Each party to this Agreement acknowledges and agrees that changes to technology are dynamic and not predictable within the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, Franchisee agrees that Franchisor will have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and Franchisee agrees to comply with those reasonable new standards that Franchisor establish as if Franchisor periodically revised this Section 8.01 for that purpose.

8.02 Data

A. Franchisor may periodically specify in the Manual or otherwise in writing the information that Franchisee will collect and maintain on Franchisee's technology systems and Franchisee will provide to Franchisor such reports as Franchisor may reasonably request from the data so collected and maintained. Franchisee agree that all data that Franchisee collects from Accounts, suppliers or others in connection with the Franchised Business including, but not limited to, names, addresses, email addresses, phone numbers, transaction data, demographic data, behavioral data, service history, correspondence and other data that Franchisee creates and/or collects in connection with the System, or in connection with Franchisee's operation of the Franchised Business is and will be owned exclusively by Franchisor. Franchisor hereby licenses use of such data back to Franchisee, at no additional cost, solely for the term of this Agreement for Franchisee's transactional use, and solely for the purpose of managing the Franchised Business. Franchisor reserve the right to use or transfer this data as Franchisor deem appropriate and to provide the information to Franchisor's Affiliates. Franchisee must, at Franchisee's expense, transfer copies and/or originals of all data that Franchisor specifies in the Manual or upon Franchisor's request. Franchisee may not use any such data for activities not related to the Franchised Business without Franchisor's prior written approval. Franchisee may not sell or transfer any Account data to any third party other than Franchisor and Franchisor's Affiliates. However, if Franchisee assigns the Franchised Business (as provided in Section 11.02 below), as part of the assignment, Franchisee must also assign use of the Account data, Account contracts, and related data to the buyer as part of the total purchase price paid for the Franchised Business. Franchisee must make a final transfer of all data that Franchisor requests to Franchisor at the termination or expiration of this Agreement and Franchisee may not retain any such data.

B. In connection with any use of data in the Franchised Business, Franchisee agree to comply with all applicable laws pertaining to the privacy of Account, employee, and transactional information ("Privacy Laws"). Franchisee also agrees to comply with Franchisor's standards and policies pertaining to Privacy Laws. If there is a conflict between Franchisor's standards and policies pertaining to Privacy Laws and actual applicable law, Franchisee will: (1) comply with the requirements of applicable law; (2) immediately give Franchisor written notice of said conflict; and (3) promptly and fully cooperate with Franchisor and Franchisor's counsel in determining the most effective way, if any, to meet Franchisor's standards and policies pertaining to Privacy Laws within the bounds of applicable law. Franchisee agree not to publish, disseminate, implement, revise, or rescind a data privacy policy without Franchisor's prior written consent with respect to such policy.

IX. INDEMNIFICATION AND INSURANCE

9.01 Indemnification

A. Franchisee agrees at all times to defend at its own cost, and to indemnify and hold harmless to the fullest extent permitted by law, Franchisor, its corporate parent (if any), the corporate subsidiaries, affiliates, successors, assigns and designees of either entity, and the respective directors, officers, employees, agents, shareholders, designees, and representatives of each (Franchisor and all other hereinafter referred to collectively as "Indemnitees") from all losses and expenses (including attorneys' and experts' fees) incurred in connection with any action, suit, proceeding, claim, demand, investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement thereof which arises out of or is based upon any acts, errors or omissions of Franchisee or any of its agents, servants, employees, contractors, partners, proprietors, affiliates or representatives, including, but not limited to, any service provided by Franchisee from, at, or related to the operation of, the Franchised Business; the use or operation of any equipment, chemical or vehicle; Franchisee's alleged or actual

infringement or violation of any patent, trademark or copyright or other proprietary right owned or controlled by third parties; any allegation that Franchisor or another Indemnitee is the employer, co-employer, or joint employer of Franchisee, its owners, or employees or otherwise responsible for Franchisee's acts or omissions relating to Franchisee and its employees; and, any damage to the property of Franchisee or Franchisor, their agents or employees, or any third person, firm or corporation.

B. Franchisee agrees to give Franchisor notice of any such action, suit, proceeding, claim, demand, inquiry or investigation. At the expense and risk of Franchisee, Franchisor may elect to assume (but under no circumstance is obligated to undertake) the defense and/or settlement of any such action, suit, proceeding, claim, demand, inquiry or investigation, provided that Franchisor will seek the advice and counsel of Franchisee, and shall keep Franchisee informed, with regard to any such proposed or contemplated settlement(s). Such an undertaking by Franchisor shall in no manner or form diminish Franchisee's obligation to indemnify Franchisor and to hold it harmless.

C. In order to protect persons or property, or its reputation or goodwill, or the reputation or goodwill of others, Franchisor may, at any time and without notice as it in its judgment deems appropriate, offer, order, consent or agree to settlements or take such other remedial or corrective actions as it deems expedient with respect to any action, suit, proceeding, claim, demand, inquiry or investigation covered by this Section 9.01.

D. Under no circumstances shall Franchisor's Indemnitees be required or obligated to seek recovery from third parties or otherwise mitigate their losses in order to maintain a claim against Franchisee. Franchisee agrees that the failure to pursue such recovery or mitigate loss will in no way reduce the amounts recoverable by Franchisor's Indemnitees from Franchisee.

9.02 Insurance

A. Franchisee shall purchase at its sole expense, and maintain in effect at all times during the term of this Agreement, at a minimum, the following categories of insurance coverage through licensed and admitted insurance companies acceptable to Franchisor:

1. Broad form comprehensive general liability coverage, broad form contractual liability and product liability coverage in an amount and form and with a carrier or carriers satisfactory to Franchisor; but not less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) aggregate; such insurance shall not have a deductible or self-insured retention in excess of Five Thousand Dollars (\$5,000);

2. If applicable, Worker's Compensation and Employer's Liability Insurance (in statutory amounts), Unemployment Insurance and State Disability Insurance (as required by governing law), for Franchisee's employees, if any.

3. If applicable, automobile liability insurance, including owned, hired and non-owned vehicle coverage, with a combined single limit of no less than Three Hundred Thousand Dollars (\$300,000).

B. The insurance coverage acquired and maintained by Franchisee as set forth in Section 9.02.A shall:

1. Name Franchisor and its affiliates as additional named insureds and provide that the coverage afforded applies separately to each insured against whom claim is brought as though a separate policy had been issued to each insured (except for the insurance coverages provided in Section 9.02.A.2 above);

2. Contain no provision which in any way limits or reduces coverage for Franchisee in the event of a claim by any one (1) or more of the additional named insureds;

3. Extend to and provide indemnity for all obligations assumed by Franchisee under this Agreement and all other items for which Franchisee is required to indemnify Franchisor under the provisions of this Agreement;

4. Be primary to and without right of contribution from any other insurance purchased by Franchisor or any additional named insured; and,

5. Provide, by endorsement, that Franchisor is entitled to receive at least thirty (30) days prior written notice of any intent to reduce policy limits, restrict coverage, cancel or otherwise alter or amend said policy.

C. Franchisee shall not reduce the policy limits, restrict coverage, cancel or otherwise alter or amend said insurance policies without Franchisor's written consent.

D. In the event of a claim by any one (1) or more of the Indemnitees against Franchisee, Franchisee shall, on request of Franchisor, assign to Franchisor all rights which Franchisee then has or thereafter may have with respect to such claim against the insurer(s) providing coverages described in this Section 9.02.

E. Franchisee shall promptly provide Franchisor with certificates of insurance evidencing such coverage no later than ten (10) days prior to the date that the Franchised Business will commence operations. Franchisee shall deliver a complete copy of Franchisee's then prevailing policies of insurance within thirty (30) days following the delivery of the certificates of insurance. Franchisee shall renew all insurance policies and documents, and upon such renewal, shall furnish a renewal Certificate of Insurance to Franchisor prior to the expiration date of the existing term(s) of the policy(ies) in question. Franchisee shall provide updated certificates of insurance within ten (10) business days with respect to any changes in the underlying policies. Franchisor may at any time require Franchisee to forward to Franchisor full copies of all or any insurance policies.

F. The minimum standards and limits of insurance coverage required to be procured by Franchisee may be modified from time to time by Franchisor, in its sole and exclusive discretion, by written notice transmitted by Franchisor to Franchisee. Upon delivery (or attempted delivery) of such written notice, Franchisee shall immediately purchase insurance conforming to the newly established standards and limits prescribed by Franchisor.

G. Nothing contained herein shall be construed or considered an undertaking or representation by Franchisor that such insurance as may be required to be obtained by Franchisee will insure Franchisee against any or all insurable risks of loss which may or can arise out of or in connection with the operation of the Franchised Business.

H. If Franchisee fails to purchase insurance conforming to the standards and limits prescribed by Franchisor, Franchisor may (but is not required to) obtain, through agents and insurance companies of its choosing, such insurance as is necessary to meet such standards on behalf of Franchisee. Payments for such insurance shall be borne by Franchisee, and Franchisee expressly agrees to forthwith pay the required premiums or to reimburse Franchisor therefor. Franchisee specifically authorizes Franchisor to deduct and retain for itself such premiums from any monies due and owing to Franchisee by Franchisor (or its Affiliates). Nothing contained herein shall be construed or deemed to impose any duty or obligation upon Franchisor to obtain or maintain any specific forms, kinds or amounts of insurance for or on behalf of Franchisee.

I. Franchisee is required to maintain Worker's Compensation Insurance for all individuals associated with Franchisee in its business operations, owner/operators, employees, subcontractors, or independent contractors ("Franchisee Personnel"). Franchisee must provide a list of all current Franchisee Personnel and written proof of Workers Compensation Insurance coverage, which shall be updated from time to time within ten (10) business days of the change for Franchisor's recordkeeping.

X. COVENANTS

10.01 Restriction on Use of Confidential Information

A. Franchisee hereby agrees that it shall not ever, during the term of this Agreement, or at any time thereafter, divulge or use for the benefit of itself, or any other person(s), partnership, proprietorship, association, corporation or entity, any confidential information, knowledge or know-how concerning the systems of operation, programs, services, products, equipment, customers or practices of Franchisee and/or of Franchisor and/or pertaining to the System which may be communicated to Franchisee. Any and all information, knowledge, know-how, techniques and information which Franchisor, its Affiliate(s), or designee(s), or the respective officers of each, designate as confidential shall be deemed confidential for the purposes of this Agreement, except information which Franchisee can demonstrate came to its attention prior to the disclosure thereof by Franchisor or which, at or after the time of disclosure by Franchisor to Franchisee, has become a part of the public domain through publication or communication by others (but in no event through any act of Franchisee).

B. Franchisee specifically understands and affirms that the following has been deemed to constitute confidential information (without limitation): all products, services, equipment, technologies and procedures relating to deodorizing and odor control services; all systems of operation, services, programs, products, procedures, policies, standards, techniques, specifications and criteria which now comprise or in the future may comprise a part of the System; the Manual; records pertaining to Accounts or billings; Accounts; instructional materials; quality assurance programs; recommended services; recordkeeping systems and materials; business forms; order forms; general operations materials; activity schedules; advertising, promotional and public relations materials, campaigns, guidelines and philosophy; and, all other components, specifications, standards, requirements and duties imposed by Franchisor or its Affiliates.

C. Franchisee shall not at any time copy, duplicate, record or otherwise reproduce any of the foregoing confidential information or material, in whole or in part, or otherwise make same available to any third party except as authorized herein. Upon the expiration or other termination of this Agreement, Franchisee shall return to Franchisor all such confidential information including all materials, books, records, software and manuals deemed to be confidential herein which are in Franchisee's possession. Franchisee and any Manager(s) employed by Franchisee shall divulge only such confidential information as may be necessary, and then only to such of their full time and/or part time employees, agents or independent contractors as must have access to it, in order to conduct the operation of the Franchised Business, and Franchisee shall take those precautions as shall be necessary to ensure that these individuals retain such information in confidence.

10.02 In-Term and Post-Term Covenant Not to Compete

A. Franchisee acknowledges and agree that: (1) pursuant to this Agreement, Franchisee will have access to valuable trade secrets, specialized training and other confidential information from Franchisor and/or its Affiliates regarding the development and operation of AeroWest Businesses, deodorizing, odor control or sanitation services, market and operations research, advertising and marketing plans and strategies, purchasing, sales and marketing methods and techniques owned by Franchisor and its Affiliates; (2) the know-how regarding the System and the opportunities, associations and experience acquired by Franchisee pursuant to this Agreement are of substantial value; (3) in developing the System, Franchisor and its affiliates have made substantial investments of time, effort, and money; (4) Franchisor would be unable adequately to protect the System and its trade secrets and confidential and proprietary information against unauthorized use or disclosure and would be unable adequately to encourage a free exchange of ideas and information among operators of AeroWest Businesses if franchisees were permitted to engage in the activities described in this Section 10.01 or to hold interests in the businesses described in this Section 10.01; and (5) the restrictions on Franchisee's right to hold interests in, or perform services for, the businesses described in this Section 10.01 will not unduly limit Franchisee's activities.

B. Franchisee covenants and agrees that:

1. During the term of this Agreement, Franchisee will not own, maintain, operate, engage in, grant a franchise to, advise, help, make loans to, lease property to or have any interest in, either directly or indirectly, any business that (a) offers or sells deodorizing, odor control or sanitation services; (b) offers or sells services or products related deodorizing, odor control or sanitation services; (c) engages in any of the activities that this Agreement contemplates will be engaged in by Franchisee; or, (d) offers or sells any other service or product (or component thereof) which comprises or may in the future comprise a part of the System (or any product or service confusingly similar thereto). There is no geographical limitation on this restriction during the term of this Agreement;

2. For a period of one (1) year immediately following the expiration or termination of this Agreement, for any reason whatsoever, Franchisee will not own, maintain, operate, engage in, grant a franchise to, advise, help, make loans to, lease property to or have any interest in, either directly or indirectly, any business that: (1) offers or sells deodorizing, odor control or sanitation services; (2) offers or sells services or products related deodorizing, odor control or sanitation services; (3) engages in any of the activities that this Agreement contemplates will be engaged in by Franchisee; (4) offers or sells any other service or product (or component thereof) which comprises or may in the future comprise a part of the System (or any product or service confusingly similar thereto); or (5) solicits, attempts to service or services any Account serviced by Franchisee during the two (2) year period immediately prior to the date of expiration or termination of this Agreement.

C. Franchisee is prohibited from engaging in any such competitive business as provided by Section 10.01.B above as a proprietor, partner, investor, shareholder, director, officer, employee, principal, agent, adviser, or consultant thereof, nor shall Franchisee divert any business that should be handled by the Franchised Business to any other entity. It is the intention of this provision to preclude not only direct competition but also all forms of indirect competition, such as consultation for competitive businesses, service as an independent contractor for such competitive businesses, or any assistance or transmission of information of any kind or nature whatsoever which would be of any material assistance to a competitor.

10.03 Owners and Employees

Franchisee's owner(s) identified in Exhibit A shall sign the personal guarantee attached to this Agreement as Exhibit B and will agree to be bound personally by the provisions of this Section 10, provided that, as to them, the time periods in Section 10.02.B.2 will run from the expiration, termination, or transfer of this Agreement or from the termination of the individual's relationship with Franchisee, whichever occurs first. At Franchisor's request, Franchisee must obtain signed agreements similar in substance to Section 10.02 (including agreements applicable upon termination of a person's relationship with Franchisee) from any Managing Owner or Authorized Manager. Each agreement required by this Section 10.03 must be in a form Franchisor approves and specifically identify Franchisor as a third party beneficiary with the independent right to enforce the agreement.

10.04 Lesser Included Covenants Enforceable at Law

If all or any portion of the covenants not to compete set forth in this Article 10 are held unreasonable, void, vague or illegal by any court or agency having competent jurisdiction over the parties and subject matter, the court or agency shall be empowered to revise and/or construe said covenants so as to fall within permissible legal limits and shall not by necessity invalidate the entire covenants. Franchisee expressly agrees to be bound by any lesser covenant subsumed within the terms of this Article VIII as if the resulting covenants were separately stated in and made a part hereof.

10.05 Enforcement of Covenants Not to Compete

Franchisee acknowledges that violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor for which no adequate remedy at law will be available. Accordingly, Franchisee hereby consents to the entry of an injunction prohibiting any conduct by Franchisee in violation of the terms of those covenants not to compete set forth in this Agreement. Franchisee expressly agrees that it may conclusively be presumed that any violation of the

terms of said covenants not to compete was accomplished by and through Franchisee's unlawful utilization of Franchisor's confidential information, know-how, methods and procedures. Further, Franchisee expressly agrees that the existence of any claims Franchisee may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants not to compete set forth in this Agreement. Franchisee further agrees to pay all costs and expenses (including reasonable attorneys' and experts' fees) incurred by Franchisor in connection with the enforcement of those covenants not to compete set forth in this Agreement.

XI. ASSIGNMENT

11.01 Assignment by Franchisor

Franchisor shall have the right to assign this Agreement, and all of its rights and privileges hereunder, to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of the functions of Franchisor: (i) the assignee shall, in the good faith judgment of Franchisor, be financially responsible and economically capable of performing the obligations of Franchisor hereunder at the time of such assignment, and (ii) the assignee shall expressly assume and agree to perform such obligations.

11.02 Assignment by Franchisee

A. With respect to Franchisee's obligations hereunder, this Agreement is personal, being entered into in reliance upon and in consideration of the singular personal skill and qualifications of Franchisee and its owners, if applicable, and the trust and confidentiality reposed in Franchisee by Franchisor. Therefore, except as hereinafter provided, Franchisee and its owners may not assign, sell, transfer, share, redeem, sublicense or divide, voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise, in any manner, any interest in Franchisee, the Franchised Business, this Agreement, nor any of Franchisee's rights or privileges under this Agreement, without the prior written consent of Franchisor.

B. Should Franchisor not elect to exercise its right of first refusal, as provided in Section 11.03 below, Franchisor's consent to such assignment and sale shall not be unreasonably withheld; provided, however, that it shall not be unreasonable for Franchisor to impose, among other requirements, the following conditions precedent to its consent to any such assignment:

1. Franchisee shall have complied with the right of first refusal provisions set forth in Section 11.03 below.

2. The assignee (or the principal officers, shareholders or directors of the assignee, in the case of a business entity assignee), demonstrates the skills, qualifications, ethics and economic resources necessary, in Franchisor's judgment, reasonably exercised, to conduct the Franchised Business and to fulfill its obligations to Franchisor;

3. As of the date of any such assignment, Franchisee shall have fully complied with all of its obligations to Franchisor and its Affiliates, both monetary and otherwise;

4. The sales price shall not be so high, in Franchisor's reasonable judgment, as to jeopardize the ability of the assignee to develop, maintain, operate and promote the Franchised Business and meet financial obligations to Franchisor, third party suppliers and creditors. Franchisor's decision with respect to a proposed assignment shall not create any liability on the part of Franchisor: (1) to the assignee, if Franchisor approves the assignment and the assignee experiences financial difficulties; or (2) to Franchisee or the proposed assignee, if Franchisor rejects the assignment pursuant to this Section 11.02 or for other legitimate business purposes. Franchisor, without any liability to Franchisee or the proposed assignee, has the right, in its sole discretion, to communicate and counsel with Franchisee and the proposed assignee regarding any aspect of the proposed assignment;

5. Franchisee shall pay to Franchisor a transfer fee in an amount equal Three Thousand Dollars (\$3,000) if the Gross Billings of the Franchised Business for the twelve (12) months preceding the effective date of the transfer totaled less than or equal to One Hundred Thousand Dollars (\$100,000) and Five Thousand Dollars (\$5,000) if the Gross Billings of the Franchised Business for the twelve (12) months preceding the effective date of the transfer totaled greater than One Hundred Thousand Dollars (\$100,000); and the transferee shall pay a transferee training fee in the amount of Two Thousand Five Hundred Dollars (\$2,500);

6. Franchisee shall remain liable for all the obligations to Franchisor arising out of or related to this Agreement prior to the effective date of the transfer or assignment, and shall execute all instruments reasonably requested by Franchisor to evidence such liability;

7. Franchisee and its owners execute a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor, its Affiliates, and their respective past, present, and future officers, directors, shareholders, and employees, in their corporate and individual capacities;

8. The assignee's Managing Owner shall complete any training programs then in effect for new franchisees; and

9. The assignee enter into a written assignment, in a form satisfactory to Franchisor, assuming and agreeing to discharge all of Franchisee's obligations under this Agreement; or, at Franchisor's option, enter into Franchisor's then current form of Franchise Agreement and the assignee's owners shall sign a personal guarantee of the assignee's obligation under such Franchise Agreement.

11.03 Right of First Refusal

A. The right of Franchisee to assign, transfer, redeem or sell an interest in this Agreement or the Franchised Business, voluntarily or by operation of law shall be subject to Franchisor's right of first refusal with respect thereto, provided that: (i) Franchisor may substitute cash for any other form of payment proposed in such offer; (ii) Franchisor's credit will be deemed equal to the credit of any proposed purchaser; and, (iii) Franchisor shall be given not less than sixty (60) days after notifying Franchisee of its election to exercise its right of first refusal to prepare for closing.

B. Franchisor shall exercise its right of first refusal in the following manner:

1. Franchisee shall deliver to Franchisor a true and complete copy of the offer and such additional information concerning the proposed transaction as Franchisor shall reasonably request.

2. Within thirty (30) days after Franchisor's receipt of such notice (or, if it shall request additional information, within thirty (30) days after receipt of such additional information), Franchisor may either consent or withhold its consent to such assignment or redemption, in accordance with this Article X, or at its option, accept the assignment to itself or to its nominee, upon the terms and conditions specified in the notice, provided, however, that Franchisor shall be entitled to all of the customary representations and warranties given by the seller of assets of a business including, without limitation, representations and warranties as to ownership, condition of and title to assets, liens and encumbrances on the assets, validity of contracts and agreements, and liabilities of Franchisee affecting the assets, contingent or otherwise.

3. If Franchisor shall elect not to exercise its said right of first refusal and shall consent to such assignment or redemption, Franchisee shall, subject to the provisions of this Article, be free to assign this Franchise Agreement or the Franchised Business to the proposed assignee on the terms and conditions specified in said notice. If, however, said terms shall be changed, such changed terms shall be deemed a new proposal, and Franchisor shall have such right of first refusal with respect thereto.

4. An election by Franchisor not to exercise its right of first refusal with regard to any offer shall not affect its right of first refusal with regard to any subsequent offer made to Franchisee. Further,

Franchisor's failure to exercise its right of first refusal shall not be construed or deemed as approval of the proposed assignee, redemption or the transaction itself. Franchisee and any proposed assignee must comply with all the criteria and procedures for assignment of the franchise, the Franchise Agreement and/or the Franchised Business specified in this Article X.

11.04 Assignment upon Death or Permanent Incapacity

A. Upon the death or permanent incapacity of the last surviving owner of Franchisee, as applicable, demonstrated to Franchisor's reasonable satisfaction, Franchisee's rights under this Agreement shall pass to such owner's estate, heirs, legatees, guardians or representatives (as appropriate) (hereinafter collectively referred to as the "Estate"), which Estate may continue the operation of the Franchised Business if: (1) the Estate provides a competent and qualified individual acceptable to Franchisor to serve as the Authorized Manager and operate the Franchised Business on a full-time basis; (2) said individual attends and successfully completes Franchisor's next offered Initial Training Program at the sole expense of the Estate; and, (3) said individual assumes full-time management and operation of the Franchised Business within one (1) month of the date of the death or permanent incapacity of the last surviving owner of Franchisee.

B. Failure by the Estate to designate such an Authorized Manager, failure by the Estate's designated Authorized Manager to attend and satisfactorily complete Franchisor's Initial Training Program and to assume the full-time operation of the Franchised Business within one (1) month, or -- in the alternative -- failure by the Estate to effectuate a sale of the Franchised Business within one (1) month in accordance with the provisions of Section 11.02 of this Agreement, shall constitute a material breach of this Agreement which, unless cured by the Estate, shall result in this Agreement being terminated immediately in accordance therewith.

C. From the date of death or permanent incapacity of the last surviving owner of Franchisee until a fully trained and qualified Authorized Manager assumes full-time operational control of the Franchised Business or, in the alternative, until the effective date of a sale of the Franchised Business, Franchisor may, at its sole option, assume full control of and operate the Franchised Business. During such period of time, Franchisor will deduct its operating costs for labor and materials and its expenses for travel, lodging, meals, and all other expenses and fees from the Franchised Business's Gross Billings and shall pay itself a management fee equal to ten (15%) percent of the Franchised Business's Gross Billings for such period of operation, which fee shall be in addition to the Business Administration Fee due to Franchisor. Remaining funds (if any) will then be remitted to Franchisee's Estate according to the procedures set forth in Section 4.06 (less any other Franchisor deductions provided for under this Agreement). Any deficiency in sums due to Franchisor hereunder shall be paid by Franchisee's Estate to Franchisor within ten (10) days of Franchisor's rendering a notice of such deficiency to the Estate. Franchisor shall not be obligated to so operate the Franchised Business and, if it does, Franchisor shall not be responsible for any operational losses of the Franchised Business, nor shall it be obligated to continue operation of the Franchised Business.

11.05 No Encumbrance

Franchisee shall not have the right to pledge, encumber, hypothecate or otherwise give any third party a security interest in this Agreement, the franchise conveyed hereunder or the Franchised Business in any manner whatsoever without the prior written permission of Franchisor, which permission may be withheld for any reason whatsoever in Franchisor's sole subjective judgment.

11.06 Nonconforming Assignments Void.

Any purported assignment or transfer that is not in compliance with this Section XI will be null and void and will constitute a material breach of this Agreement, for which Franchisor may terminate this Agreement without opportunity to cure pursuant to Section 14.03 below. Franchisor's consent to a transfer will not constitute a waiver of any claims Franchisor may have against Franchisee, nor will it be deemed a

waiver of Franchisor's right to demand exact compliance by Franchisee or the transferee with any of the terms of this Agreement.

XII. TRADEMARKS, PATENTS AND COPYRIGHTS

12.01 Non-Ownership of Trademarks, Patents and Copyrights by Franchisee

A. Nothing in this Agreement shall give Franchisee any right, title or interest in or to any of the Trademarks, patents or copyrights of Franchisor (or its Affiliates) except as a mere privilege and license during the term of this Agreement to display and use the same according to the limitations set forth in this Agreement. All uses by Franchisee of the Trademarks, patents and copyrights inure to the benefit of Franchisor. Franchisee understands and agrees that the limited license to utilize the Trademarks, patents and copyrights granted hereby applies only to such Trademarks, patents and copyrights as are designated by Franchisor, and which have not been designated by Franchisor as being withdrawn from use, together with those which may hereafter be designated by Franchisor in writing. Franchisee expressly understands and agrees that Franchisee is bound not to represent in any manner that Franchisee has acquired any ownership or equitable rights in any of the Trademarks, patents or copyrights by virtue of the limited license granted under this Agreement, or by virtue of Franchisee's use of any of the Trademarks, patents or copyrights. Franchisee agrees not to apply for or obtain any registration of any of the licensed Trademarks, patents or copyrights in its own name. Franchisee understands and agrees that, following the expiration or termination of this Agreement for whatever reason, no monetary amount shall be deemed attributable to any goodwill associated with Franchisee's use of the Trademarks, patents or copyrights, or in connection with Franchisee's operation of the Franchised Business.

B. Franchisee agrees that the Trademarks, patents and copyrights are the exclusive property of Franchisor. Franchisee now asserts and will hereafter assert no claim to any goodwill, reputation or ownership thereof by virtue of Franchisee's licensed use thereof, or otherwise. Franchisee agrees that Franchisee will not do or permit any act or thing to be done in derogation of any of the rights of Franchisor in connection with same, either during the term of this Agreement or thereafter, and that Franchisee will use the Trademarks, patents and copyrights only for the uses and in the manner licensed hereunder and as herein provided.

C. Franchisee agrees that Franchisee will not, during or after the term of this Agreement, in any way dispute or impugn the validity of the Trademarks, patents or copyrights licensed hereunder, or the rights of Franchisor thereto, or the rights of Franchisor or other franchisees of Franchisor to use the same, both during the term of this Agreement and thereafter.

12.02 Use of Trademarks

A. Franchisee shall use and display all Trademarks in full compliance with rules prescribed from time to time by Franchisor in the Manual or otherwise. Franchisee is prohibited (except as expressly provided or mandated herein) from using any Trademark with any prefix, suffix, or other modifying words, terms, designs or symbols (other than logos licensed by Franchisor to Franchisee). In addition, Franchisee may not use any Trademark in connection with the sale of any unauthorized program, product or service or in any other manner not explicitly authorized in writing by Franchisor. Further, Franchisee shall use the Trademarks only for the operation of the Franchised Business or in authorized advertising for the Franchised Business. Franchisee shall not use any other trademarks, logotypes, symbols or service marks in connection with the Franchised Business without Franchisor's prior written approval.

B. Franchisee shall not use the Trademarks in any fashion which will incur any obligation or indebtedness on behalf of Franchisor. Franchisee shall comply with Franchisor's instructions in filing and maintaining the requisite trade name or fictitious name registrations and shall execute any documents deemed necessary by Franchisor or its counsel to obtain protection for the Trademarks or to maintain their continued validity and enforceability.

12.03 Required Means of Identification

A. Franchisee shall register to do business under the trade name or fictitious name "AeroWest" with any local identifier assigned by Franchisor. Franchisee must operate, advertise, and promote the Franchised Business only under the Trademarks. In conjunction with any use of the Trademarks, including on all Account contracts, checks and negotiable instruments, invoices, letterhead, email signature blocks and other electronic media, stationery, order forms, and business cards, Franchisee must identify itself to the public under its own name and as "an independently owned and operated AeroWest franchise", but not an agent of Franchisor. If Franchisee is a business entity such as a corporation or limited liability company, it shall not use Franchisor's Trademarks, or any words or symbols confusingly similar thereto, in Franchisee's entity name, and in particular Franchisee shall not use the words "AEROWEST," "WISEAIR," "WESTAIR," "ODO-SAN," "West Sanitation Services, Inc." or any variant thereof as part of its entity name.

B. Franchisee must operate, advertise, and promote the Franchised Business only under the Trademarks. In conjunction with any use of the Trademarks, including on all Account contracts, checks and negotiable instruments, invoices, letterhead, email signature blocks and other electronic media, stationery, order forms, and business cards Franchisee must identify itself to the public as an independent franchisee operating under the authority of this Agreement.

C. For customer security and on-site identification purposes, as well as AeroWest branding requirements, when servicing Accounts, Franchisee must ensure that all individuals servicing the Accounts wear AeroWest branded uniforms, along with a visible AeroWest name badge including a recent photograph and correct phone number. Franchisee may purchase AeroWest branded clothing directly through Franchisor's online order form.

D. Franchisee may not use the Trademarks on any human resources materials including policies, forms, pay checks, and manuals.

12.04 Prosecution of Infringers

A. In the event that Franchisee receives notice, is informed or learns that any third party which Franchisee believes is not authorized to use the Trademarks, patents or copyrights is using the Trademarks, patents or copyrights or any variant thereof, Franchisee shall promptly notify Franchisor of the facts relating to such alleged infringing use. Thereupon, Franchisor shall, in its sole and exclusive discretion, determine whether or not it wishes to take any action against such third party on account of such alleged infringement. Franchisee shall have no right to make any demand against any such alleged infringer of Franchisor's Trademarks, patents or copyrights or to prosecute any claim of any kind or nature whatsoever against such alleged infringer of Franchisor's Trademarks, patents or copyrights for or on account of such infringement.

B. Franchisor will defend Franchisee against any third-party claim that Franchisee's use of the Trademarks, patents or copyrights infringes the rights of the third party. Franchisor will bear the cost of defense (including the cost of any judgment or settlement) if Franchisee has used the Trademarks, patents or copyrights in accordance with the terms of this Agreement, but otherwise Franchisee must bear the cost of the defense (including the cost of any judgment or settlement). Franchisee must execute any and all documents and do such acts as Franchisor deems necessary to carry out the defense or prosecution of any litigation involving the Trademarks, patents or copyrights, including, but not limited to, becoming a nominal party to any legal action.

12.05 Discontinuance or Substitution of Trademarks

If it becomes advisable at any time, in the discretion of Franchisor, to modify or discontinue use of any Trademark and/or to adopt or use one (1) or more additional or substituted Trademarks, then Franchisee shall comply with any such instruction by Franchisor. Franchisor shall not be liable to

Franchisee for any expenses, losses or damages sustained by Franchisee as a result of any such Trademark addition, modification, substitution or discontinuation, and Franchisee hereby covenants not to commence or join in any litigation or other proceeding against Franchisor for any such expenses, losses or damages.

XIII. RELATIONSHIP OF THE PARTIES

13.01 Franchisee's Organization

A. If Franchisee is a legal entity such as a corporation, a limited liability company or a partnership, Franchisee make the following representations and warranties: (1) Franchisee is duly organized and validly existing under the laws of the state of its formation; (2) Franchisee is qualified to do business in the state or states in which the Route is located; (3) execution of this Agreement and the development and operation of the Franchised Business is permitted by Franchisee's governing documents; and (4) unless waived in writing by Franchisor, Franchisee's Articles of Incorporation, Articles of Organization or written partnership agreement shall at all times provide that Franchisee's activities are limited exclusively to the development and operation of AeroWest Businesses.

B. Upon request by Franchisor, Franchisee shall promptly deliver to Franchisor, as applicable, true and complete copies of the articles or certificate of incorporation, partnership agreement, bylaws, subscription agreements, buy-sell agreements, voting trust agreements and all other documents relating to Franchisee's ownership, organization, capitalization, management and control and all amendments thereto. When any of these governing documents are modified or changed, Franchisee promptly shall provide copies to Franchisor. If Franchisee is a corporation, Franchisee shall maintain stop-transfer instructions against the transfer on the records of any voting securities, and each stock certificate of the corporation shall have conspicuously endorsed upon its face the following statement: "Any assignment or transfer of this stock is subject to the restrictions imposed on assignment by the AeroWest Franchise Agreement(s) to which the corporation is a party." If Franchisee is a limited liability company, each membership or management certificate shall have conspicuously endorsed upon its face the following statement: "Any assignment or transfer of an interest in this limited liability company is subject to the restrictions imposed on assignment by the AeroWest Franchise Agreement(s) to which the limited liability company is a party." If Franchisee is a partnership, Franchisee's written partnership agreement shall provide that ownership of an interest in the partnership is held, and that further assignment or transfer thereof, is subject to all restrictions imposed on assignment by this Agreement.

C. If Franchisee is an individual, or a partnership comprised solely of individuals, Franchisee make the following additional representations and warranties: (1) each individual has executed this Agreement; (2) each individual shall be jointly and severally bound by, and personally liable for the timely and complete performance and a breach of, each and every provision of this Agreement; and (3) notwithstanding any transfer to a business entity, each individual shall continue to be jointly and severally bound by, and personally liable for the timely and complete performance and breach of, each and every provision of this Agreement.

D. All of Franchisee's owners, officers, directors, and their spouses shall jointly and severally guarantee Franchisee's obligations under this Agreement and personally bind themselves to the terms of this Agreement pursuant to the personal guarantee attached to this Agreement as Exhibit B.

13.02 Independent Contractor

A. Franchisee understands and agrees that, under this Franchise Agreement, Franchisee is and shall be an independent contractor of Franchisor. No employee of Franchisee shall be deemed to be an employee of Franchisor. Nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, joint employer, or servant of the other for any purpose whatsoever. Franchisee shall not, without the prior written approval of Franchisor, have any power to obligate Franchisor for any expenses, liabilities or other obligations, other than as is specifically provided for in this Agreement. Franchisor shall not have the power to hire or fire Franchisee's employees and,

except as herein expressly provided, Franchisor may not control or have access to Franchisee's funds or the expenditure thereof, or in any other way exercise dominion or control over the Franchised Business.

B. Except as otherwise expressly authorized by this Agreement, neither party hereto will make any express or implied agreements, warranties, guarantees or representations or incur any debt in the name of or on behalf of the other party, or represent that the relationship between Franchisor and Franchisee is other than that of franchisor and franchisee. Franchisor does not assume any liability, and will not be deemed liable, for any agreements, representations, or warranties made by Franchisee which are not expressly authorized under this Agreement, nor will Franchisor be obligated for any damages to any person or property which directly or indirectly arise from or relate to the operation of the AeroWest Business franchised hereby.

C. It is expressly understood and agreed that neither Franchisee nor any employee of Franchisee whose compensation for services is paid by Franchisee may, in any way, directly or indirectly, expressly or by implication, be construed to be an employee of Franchisor for any purpose, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. Franchisee must clearly inform all workers, before hiring and periodically thereafter, that Franchisee, and not Franchisor, is their employer and that Franchisor does not assume and will not accept any employer, co-employer, or joint employer obligations.

D. FRANCHISEE SHALL CONSPICUOUSLY IDENTIFY ITSELF AND IN ALL DEALINGS WITH ITS CUSTOMERS, CONTRACTORS, SUPPLIERS, PUBLIC OFFICIALS AND OTHERS, AS AN INDEPENDENT FRANCHISEE OF FRANCHISOR, AND SHALL PLACE SUCH NOTICE OF INDEPENDENT OWNERSHIP ON ALL FORMS, BUSINESS CARDS, STATIONERY, ADVERTISING, SIGNS AND OTHER MATERIALS AND IN SUCH FASHION AS FRANCHISOR MAY, IN ITS SOLE AND EXCLUSIVE DISCRETION, SPECIFY AND REQUIRE FROM TIME TO TIME, IN ITS MANUAL OR OTHERWISE.

XIV. DEFAULT AND TERMINATION

14.01 Termination by Franchisee

Franchisee shall have the right to terminate the Franchise Agreement at any time, with or without cause, upon giving Franchisor ninety (90) days' prior written notice of termination, said notice to be delivered to Franchisor in accordance with the terms of Article XVII of this Agreement.

14.02 Termination by Franchisor -- Automatic Termination without Notice

Franchisee shall be in default of this Agreement, and all rights granted herein shall immediately and automatically terminate and revert to Franchisor without notice to Franchisee, if: Franchisee or the Franchised Business is adjudicated as bankrupt or insolvent; all or a substantial part of the assets thereof are assigned to or for the benefit of any creditor; a petition in bankruptcy is filed by or against Franchisee or the Franchised Business and is not immediately contested and/or dismissed within sixty (60) days from the filing thereof; a bill in equity or other proceeding for the appointment of a receiver or other custodian of Franchisee, the Franchised Business or assets of either is filed and consented to by Franchisee; a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee or the Franchised Business; Franchisee is dissolved; execution is levied against Franchisee, the Franchised Business or property thereof; or, the real or personal property of the Franchised Business shall be sold after levy thereon by any governmental body or agency, sheriff, marshal or constable.

14.03 Termination by Franchisor upon Notice -- No Opportunity to Cure

A. Franchisee shall have materially breached this Agreement and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the breach, effective immediately upon receipt of notice by Franchisee in accordance with the terms of Article XVII of this Agreement upon the occurrence of any of the following events:

1. Franchisee fails to submit any required material items of information, supporting records, or exact copies of Account work orders secured by Franchisee on time.

2. Franchisee fails, refuses or neglects to obtain Franchisor's prior written approval where consent is required by this Agreement on the use of unauthorized products and services.

3. Franchisee submits fraudulent service receipts, repeatedly submits inaccurate reports or financial statements, or otherwise defrauds or makes false representations to Franchisor.

4. Franchisee fails to disclose to Franchisor the identity of any Account of the Franchised Business.

5. Franchisee's Managing Owner fails to directly and personally conduct and operate the Franchised Business.

6. The Franchised Business fails to experience year on year growth of three percent (3%) or more in the Route.

7. Franchisee solicits business from the active Accounts of any other AeroWest Business (whether Company-owned, Company joint-ventured, franchised or otherwise).

8. Franchisee repeatedly fails to comply with one or more requirements of this Agreement, whether or not corrected after notice; such "repeated" failure to consist of no less than three (3) or more breaches of the same or of different terms and conditions of the Agreement.

9. Franchisee fails to commence operation of the Franchised Business by the Commencement Date, or at any time ceases to operate the Franchised Business, abandons the franchise relationship or abandons the Franchised Business.

10. Franchisee (or, if Franchisee is a corporation, partnership or proprietorship, any principal of Franchisee) is convicted of a felony, fraud, crime involving moral turpitude, or any other crime or offense which Franchisor reasonably believes is related to Franchisee's operation of the Franchised Business, or is likely to have an adverse effect on the System, the Trademarks, the goodwill associated therewith or Franchisor's interest therein.

11. A threat or danger to public health or safety results from the continued operation of the Franchised Business by Franchisee.

12. Franchisee fails to comply with the covenant not to compete during the term of this Agreement or violates those restrictions pertaining to the use of confidential information contained in this Agreement.

13. Franchisee refuses Franchisor permission to inspect the Franchised Business, any location where Franchisee is rendering services to Accounts, or Franchisee's records or other documents.

14. Franchisee offers or sells as part of the Franchised Business any unapproved program or service or any product or fails to continue offering and selling and using all programs and

services and utilizing all proprietary products, chemicals, equipment and services which are part of the System.

15. Franchisee fails to purchase or maintain any insurance required by this Agreement or fails to reimburse Franchisor for its purchase of such insurance on behalf of Franchisee (where Franchisor has not withheld the cost thereof from monies owed by Franchisor to Franchisee).

14.04 Termination by Franchisor with Opportunity to Cure

A. Franchisee shall be in default of this Agreement for any failure to substantially comply with any of the requirements imposed upon Franchisee by this Agreement, as it may from time to time be supplemented by the Manual, or otherwise, or to carry out the terms of this Agreement in good faith. Except as provided in Sections 14.02 and 14.03 above, Franchisee shall have fifteen (15) calendar days after receipt from Franchisor of a written Notice of Termination within which to remedy any default hereunder (or, if the default cannot reasonably be cured within such fifteen (15) calendar days, to initiate within that time all available substantial and continuing action to cure the default), and to provide evidence thereof to Franchisor. If Franchisee has not cured any default within that time (or, if appropriate, Franchisee has not initiated substantial and continuing action to cure the default within that time) or such longer period as applicable law may require, this Agreement shall terminate immediately without further notice upon expiration of the fifteen (15) day period or such longer period as applicable law may require.

B. Upon each such default described in Section 14.03 or 14.04.A, Franchisor, in its discretion, may do any one or more of the following effective immediately upon delivery of notice of default by Franchisor to Franchisee: (1) reduce the size of Franchisee's Route; (3) re-assign one or more Accounts serviced by Franchisee to Franchisor or another AeroWest business; or (4) pursue any other remedies available under this Agreement or at law or in equity.

14.05 Cross Default

Any default or breach by Franchisee of any other agreement between Franchisor or its Affiliates and Franchisee shall be deemed a default under this Agreement, and any default or breach of this Agreement by Franchisee shall be deemed a default or breach under any and all other agreements between Franchisor and Franchisee. If the nature of such default under any other agreement would have permitted Franchisor to terminate this Agreement had said default occurred hereunder, Franchisor shall have the right to terminate all other agreements between Franchisor and Franchisee in the same manner provided for herein for termination of this Agreement.

XV. FURTHER OBLIGATIONS AND RIGHTS OF THE PARTIES UPON TERMINATION OR EXPIRATION

15.01 Further Obligations and Rights of the Parties upon Termination or Expiration

A. In the event of termination or expiration of this Agreement, whether by reason of default, lapse of time or other cause, Franchisee will cease to be an authorized AeroWest franchisee and will lose all rights to the use of Franchisor's Trademarks, the System, all confidential information and know-how owned by Franchisor and any goodwill engendered by the use of the Trademarks.

B. Upon termination or expiration of this Agreement for whatever reason, Franchisee shall:

1. Immediately pay all Business Administration Fees and all other sums then due and owing to Franchisor (or its Affiliates), as well as all sums due and owing to any lessor, employees, taxing authorities, advertising agencies and all other third parties.

2. Discontinue the use of the Trademarks, and not thereafter operate or do business under any name or in any manner which might tend to give the general public the impression that

Franchisee is operating an AeroWest Business, or any business similar thereto. Franchisee shall not thereafter use, in any manner, or for any purpose, directly or indirectly, any printed goods, materials or equipment bearing the Trademarks or tradenames, and any of Franchisor's confidential information, trade secrets, procedures, forms, techniques, know-how or materials acquired by Franchisee by virtue of the relationship established by this Agreement. Franchisee shall not fill any dispensers that display the Trademarks with any third party chemicals.

3. In the event of termination for any default by Franchisee, pay to Franchisor all expenses incurred by Franchisor as a result of the default, including all damages, costs, and expenses, and reasonable attorneys' and experts' fees, which obligation shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, signs, fixtures and inventory owned by Franchisee or the Franchised Business at the time of default and/or against any monies of Franchisee held or otherwise in the possession of Franchisor.

4. Immediately deliver to Franchisor all training or other manuals (including the Manual) furnished to Franchisee, all forms and other materials or property of Franchisor, and any copies thereof in Franchisee's possession, which relate to the operation of the Franchised Business.

5. Upon any termination of this Agreement by Franchisor for cause, Franchisor shall have the right, at its sole option, immediately to enter and take possession of the previously-Franchised Business in order to maintain continuous operation of the previously-Franchised Business, to provide for orderly change of management and disposition of personal property, and to otherwise protect the interests of Franchisor. If Franchisee shall dispute the validity of any such termination of the franchise by Franchisor, then Franchisor shall nevertheless have the option (irrevocably granted by Franchisee hereby) to so operate the previously-Franchised Business pending the final, unappealed determination of the dispute by a court of competent jurisdiction. In the event of a final, unappealed determination of the dispute by a court of competent jurisdiction that the termination was not valid, Franchisor shall make a full and complete accounting for the period during which it operated the previously-Franchised Business.

6. Cease and desist from the use of the telephone number(s) listed in the "Yellow Pages" or "White Pages" or any other telephone directories under any of the Trademarks or any other name confusingly similar thereto.

7. Strictly comply with the post-termination/post-expiration covenants not to compete set forth in Article VIII of this Agreement and continue to abide by those restrictions pertaining to the use of Franchisor's confidential information, trade secrets and know-how set forth in Article X of this Agreement.

8. Immediately refrain from engaging in any and all contacts with Accounts of the formerly-Franchised Business and assign any Account contracts to Franchisor.

15.02 No Prejudice

The expiration or termination of this Agreement shall be without prejudice to the rights of Franchisor against Franchisee, and such expiration or termination shall not relieve Franchisee of any of his obligations to Franchisor existing at the time of expiration or termination, or terminate those obligations of Franchisee which by their nature survive the expiration or termination of this Agreement. In particular, without limiting the generality of the foregoing, the expiration or termination of this Agreement for any cause shall not affect, modify, or discharge any note, account receivable, or debt (contingent or otherwise) existing or arising under this Agreement or under any other agreement, contract or dealing between Franchisor (and its Affiliate) and Franchisee.

XVI. WAIVER AND DELAY

16.01 Waiver and Delay

No waiver or delay in either party's enforcement of any breach of any term, covenant or condition of this Agreement shall be construed as a waiver by such party of any preceding or succeeding breach, or any other term, covenant or condition of this Agreement; and, without limitation upon any of the foregoing, the acceptance of any payment specified to be paid by Franchisee hereunder shall not be, nor be construed to be, a waiver of any breach of any term, covenant or condition of this Agreement.

XVII. INJUNCTION

17.01 Injunction

Franchisee hereby explicitly affirms and recognizes the unique value and secondary meaning attached to the System, patents, copyrights and Trademarks. Accordingly, Franchisee agrees that any non-compliance with the terms of this Agreement, or any unauthorized or improper use of the System, patents, copyrights or Trademarks, will cause irreparable damage to Franchisor and other AeroWest Business franchisees. Franchisee therefore agrees that if Franchisee should engage in any such non-compliance, or unauthorized and/or improper use of the System, patents, copyrights or Trademarks, during or after the period of this Agreement, Franchisor shall be entitled to both temporary and permanent injunctive relief against Franchisee from any court of competent jurisdiction, in addition to all other remedies which Franchisor may have at law, and Franchisee hereby consents to the entry of such temporary and permanent injunctions.

XVIII. INTEGRATION OF AGREEMENT

18.01 Integration of Agreement

THIS AGREEMENT, AND ALL ANCILLARY AGREEMENTS EXECUTED CONTEMPORANEOUSLY HERewith, CONSTITUTE THE ENTIRE AGREEMENT BETWEEN THE PARTIES WITH REFERENCE TO THE SUBJECT MATTER HEREOF AND SUPERSEDE ALL PRIOR NEGOTIATIONS, UNDERSTANDINGS, REPRESENTATIONS AND AGREEMENTS, IF ANY. FRANCHISEE ACKNOWLEDGES THAT FRANCHISEE IS ENTERING INTO THIS AGREEMENT, AND ALL ANCILLARY AGREEMENTS EXECUTED CONTEMPORANEOUSLY HERewith, AS A RESULT OF FRANCHISEE'S OWN INDEPENDENT INVESTIGATION OF THE BUSINESS FRANCHISED HEREBY.

18.02 No Oral Amendments

THIS AGREEMENT MAY NOT BE AMENDED ORALLY, BUT MAY BE AMENDED ONLY BY A WRITTEN INSTRUMENT SIGNED BY THE PARTIES HERETO. FRANCHISEE EXPRESSLY ACKNOWLEDGES THAT NO ORAL PROMISES OR DECLARATIONS WERE MADE TO HIM AND THAT THE OBLIGATIONS OF FRANCHISOR ARE CONFINED EXCLUSIVELY TO THE TERMS HEREIN. NOTHING IN THE PRECEDING SENTENCE, HOWEVER, IS INTENDED TO DISCLAIM THE REPRESENTATIONS THAT FRANCHISOR MADE IN THE FRANCHISE DISCLOSURE DOCUMENT THAT FRANCHISOR PROVIDED TO FRANCHISEE.

XIX. NOTICES

19.01 Notices

Any notice required or permitted to be given hereunder shall be in writing; shall be delivered to the other party personally; or by overnight mail; or by facsimile transmission; and, shall be effective on the date that delivery thereof is documented to have been first attempted. Any notice to Franchisor shall be addressed to Franchisor at:

West Sanitation Services, Inc.
2158 Beaumont Drive
Baton Rouge, LA 70806
Attention: Dr. Maria Bhacca, CEO

Any notice to Franchisee shall be addressed to Franchisee at the address identified on the signature page to this Agreement. Either party to this Agreement may, in writing, upon ten (10) days' notice, inform the other of a new or changed address or addressee(s) to which notices hereunder should be sent. Franchisor may provide Franchisee with routine information, invoices, updates to the Manual and other System requirements and programs, including any modifications thereto, by regular mail or by e-mail, or by making such information available to Franchisee on the internet, an extranet, or other electronic means.

XX. MISCELLANEOUS

20.01 Construction and Interpretation; Further Acts

A. The titles and subtitles of the various articles and sections of this Agreement are inserted for convenience and shall not be deemed to affect the meaning or construction of any of the terms, provisions, covenants and conditions of this Agreement.

B. The language of this Agreement shall in all cases be construed simply according to its fair and plain meaning and not strictly for or against Franchisor or Franchisee.

C. It is agreed that if any provision of this Agreement is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.

D. Since the words "Franchisor" and "Franchisee" herein may be applicable to one or more parties, the singular shall include the plural, and the masculine shall include the feminine and neuter. If there shall be more than one (1) party or person referred to as Franchisee hereunder, then their obligations and liabilities hereunder shall be joint and several.

E. The parties hereto agree to execute such other documents and perform such further acts as may be necessary or desirable to carry out the purposes of this Agreement.

F. The recitals set forth at the commencement of this Agreement are incorporated herein by reference.

20.02 Severability

Nothing contained in this Agreement shall be construed as requiring the commission of any act contrary to law. Whenever there is any conflict between any provision of this Agreement and any present or future statute, law, ordinance or regulation contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the provision of this Agreement thus affected shall be curtailed and limited only to the extent necessary to bring it within the requirement of the law. In the event that any article, section, sentence or clause of this Agreement shall be held to be indefinite, invalid or otherwise unenforceable, the entire Agreement shall not fail on account thereof and the balance of the Agreement shall continue in full force and effect. If any court of competent jurisdiction deems any provision hereof (other than for the payment of money) unreasonable, said court may declare a reasonable modification hereof and this Agreement shall be valid and enforceable, and the parties hereto agree to be bound by and perform the same as thus modified.

20.03 Nature of Obligations

All the obligations of Franchisor under this Agreement are to Franchisee and Franchisee alone, and no other party is entitled to rely on, enforce or obtain relief for breach of any such obligations, either directly or by subrogation.

20.04 Unavoidable Delays

Delays in the performance of any duties hereunder which are not the fault or within the reasonable control of Franchisor, including, but not limited to fire, flood, natural disasters, Acts of God, acts of terrorism, delays or defaults in deliveries by common carriers and/or the United States Postal Service, governmental acts or orders, late deliveries of or failure to deliver goods or furnishing of services by third party vendors, or civil disorders shall not cause a default hereunder, but Franchisee shall extend the time of performance for the period of such delay or for such other, longer reasonable period of time as specified by Franchisor in writing.

20.05 Lesser Included Obligations

Franchisee agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement, that may result from (1) striking any portion of a provision that a court or agency may hold to be unreasonable and unenforceable; or (2) reducing the scope of any promise or covenant to the extent required to comply with a court or agency order.

20.06 Best Interests of System

Whenever Franchisor exercises a right and/or discretion to take or withhold an action, or to grant or decline to grant Franchisee a right to take or withhold an action, except as otherwise expressly provided in this Agreement, Franchisor can make its decision or exercise its discretion on the basis of its judgment of what is in its best interests. "Best interests" includes what Franchisor believes to be the best interests of the System at the time the decision is made or the right or discretion is exercised, even though (1) there may have been other alternative decisions or actions that could have been taken; (2) Franchisor's decision or the action taken promotes Franchisor's own financial interest; or (3) Franchisor's decision or the action may apply differently to different franchisees and/or to any AeroWest Businesses that Franchisor or its Affiliates operate. In the absence of an applicable statute, Franchisor will have no liability to Franchisee for any such decision or action. If applicable law implies a covenant of good faith and fair dealing in this Agreement, Franchisor and Franchisee agree that the covenant will not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement.

XXI. COSTS OF ENFORCEMENT; GOVERNING LAW; VENUE

21.01 Costs of Enforcement

Franchisor shall be entitled to recover from Franchisee reasonable attorneys' fees, experts' fees, court costs and all other expenses of litigation, in the event that Franchisor prevails in any action instituted against Franchisee in order to secure or protect those rights inuring to Franchisor under this Agreement, or to enforce the terms hereof.

21.02 Governing Law and Venue

This Agreement is to be construed exclusively in accordance with the laws of the State of Louisiana without regard to any conflict of laws principles. Nothing in this Section 21.02 is intended to invoke the application of any franchise or similar law, rule or regulation of the State of Louisiana or any other state which would not otherwise apply. The parties agree that, to the extent any disputes cannot be resolved directly between them, each party must file any suit against the other party only in the federal or state court

having jurisdiction where Franchisor's principal offices are located at the time suit is filed. Each party consents to the personal jurisdiction of those courts over themselves and to venue in those courts.

21.03 Survival

Any provision of this Agreement which imposes an obligation following the termination or expiration hereof shall survive such termination or expiration and shall continue to be binding upon the parties hereto. This Agreement shall be binding upon and inure to the benefit of the parties, their heirs, successors and assigns.

21.04 Rights of Parties are Cumulative.

The parties' rights under this Agreement are cumulative, and the exercise or enforcement of any right or remedy under this Agreement will not preclude the exercise or enforcement by a party of any other right or remedy under this Agreement that it is entitled by law or this Agreement to exercise or enforce.

21.05 Waiver of Punitive Damages, Class Action Lawsuits and Jury Trial.

TO THE FULLEST EXTENT PERMITTED BY LAW, EACH PARTY WAIVES ANY RIGHT TO, OR CLAIM FOR, ANY CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER PARTY. THE PARTIES ALSO AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN THEM, THE PARTY MAKING A CLAIM WILL BE LIMITED TO RECOVERY OF ACTUAL DAMAGES, IF ANY. IN ADDITION, THE PARTIES IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO BRING, OR BE A CLASS MEMBER IN, ANY CLASS ACTION SUITS AND THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, AND/OR COUNTERCLAIM BROUGHT BY EITHER PARTY.

XXII. SUBMISSION OF AGREEMENT

22.01 Submission of Agreement

A. The submission of this Agreement does not constitute an offer and this Agreement shall become effective only upon the execution hereof by Franchisor and Franchisee. The date of execution by Franchisor shall be considered the date of execution of this Agreement.

B. THIS AGREEMENT SHALL NOT BE BINDING ON FRANCHISOR UNLESS AND UNTIL IT SHALL HAVE BEEN ACCEPTED AND SIGNED BY AN AUTHORIZED OFFICER OF FRANCHISOR.

[Signatures follow on next page.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the Effective Date.

WEST SANITATION SERVICES, INC.

FRANCHISEE: If a corporation, partnership, or limited liability company, print name of business entity on the line below:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____
Date: _____

If Franchisee is one or more individuals:

EFFECTIVE DATE: _____

(Name) _____

(Name) _____

Franchisee's Notice Address:

EXHIBIT A TO AEROWEST FRANCHISE AGREEMENT

FRANCHISEE INFORMATION

1. Franchisee: _____
2. Commencement Date: _____
3. The Route shall include the following geographic area: _____

4. Form of Ownership:

(a) Individual Proprietorship. Franchisee's owner(s) (is) (are) as follows:

(b) Corporation, Limited Liability Company, or Partnership. Franchisee is a _____ incorporated or formed on _____, under the laws of the State of _____. The following list includes the full name of each person who is an owner of a legal or beneficial interest in Franchisee, and fully describes the nature of each owner's interest (attach additional pages if necessary).

<u>Name/Address</u>	<u>Percentage/Description of Interest</u>
(1) _____ _____	_____ _____
(2) _____ _____ _____	_____ _____ _____
(3) _____ _____	_____ _____
(4) _____ _____	_____ _____

5. Franchisee's Managing Owner is: _____

EXHIBIT B TO AEROWEST FRANCHISE AGREEMENT

GUARANTEE AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS

In consideration of, and as an inducement to, the execution of the AeroWest Franchise Agreement dated as of _____ ("Agreement") by WEST SANITATION SERVICES, INC. ("Franchisor"), entered into with _____ ("Franchisee"), the undersigned ("Guarantors"), each of whom is an officer, director, owner, or the spouse thereof, hereby personally and unconditionally agree as follows:

1. **Guarantee To Be Bound By Certain Obligations.** Guarantors hereby personally and unconditionally guarantee to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement or at law or in equity, that each will be personally bound by the covenants and restrictions contained in Article VIII (Covenants) of the Agreement.

2. **Guarantee and Assumption of Franchisee's Obligations.** Guarantors hereby: (1) guarantee to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement or at law or in equity, that Franchisee and any assignee of Franchisee's interest under the Agreement shall: (a) punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement, and (b) punctually pay all other monies owed to Franchisor and/or its affiliates; (2) agree to be personally bound by each and every provision in the Agreement, including, without limitation, the provisions of Section 10.02 (Covenants) and Section 9.01 (Indemnification); and (3) agree to be personally liable for the breach of each and every provision in the Agreement.

3. **General Terms and Conditions.** The following general terms and conditions shall apply to this Guarantee:

Each of the undersigned waives: (1) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (4) any right s/he may have to require that an action be brought against Franchisee or any other person as a condition of liability; (5) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the execution of and performance under this Guarantee by the undersigned; (6) any law or statute which requires that Franchisor make demand upon, assert claims against or collect from Franchisee or any others, foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Franchisee or any others prior to making any demand upon, collecting from or taking any action against the undersigned with respect to this Guarantee; (7) any and all other notices and legal or equitable defenses to which s/he may be entitled; and (8) any and all right to have any legal action under this Guarantee decided by a jury.

Each of the undersigned consents and agrees that: (1) her/his direct and immediate liability under this Guarantee shall be joint and several; (2) s/he shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; (4) such liability shall not be diminished, relieved or otherwise affected by any amendment of the Agreement, any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which shall in any way modify or amend this Guarantee, which shall be continuing and irrevocable during the term of the Agreement and for so long thereafter as there are monies or obligations owing from Franchisee to Franchisor or its affiliates under the Agreement; and (5) monies received from any source by Franchisor for application toward payment of the obligations under the Agreement and under this Guarantee may be applied in any manner or order deemed appropriate by Franchisor. In addition, if any of the undersigned ceases to be an officer or director of Franchisee or own any interest in Franchisee or the Franchised Business, that person (and his/her spouse, if the spouse is also a guarantor) agrees that the obligations under this Guarantee shall continue to remain

in force and effect unless Franchisor in its sole discretion, in writing, releases those person(s) from this Guarantee. Notwithstanding the provisions of the previous sentence, unless prohibited by applicable law, the obligations contained in Section 10.02 (Restrictions on Competition) of the Agreement shall remain in force and effect for a period of one (1) year after any such release by Franchisor. A release by Franchisor of any of the undersigned shall not affect the obligations of any other Guarantor.

If Franchisor brings an action to enforce this Guarantee in a judicial proceeding, the prevailing party in such proceeding shall be entitled to reimbursement of its costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants' and expert witness fees, cost 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. In any judicial proceeding, these costs and expenses shall be determined by the court and not by a jury.

If Franchisor utilizes legal counsel (including in-house counsel employed by Franchisor or its affiliates) in connection with any failure by the undersigned to comply with this Guarantee, the undersigned shall reimburse Franchisor for any of the above-listed costs and expenses incurred by it.

If any of the following events occur, a default ("**Default**") under this Guarantee shall exist: (1) failure of timely payment or performance of the obligations under this Guarantee; (2) breach of any agreement or representation contained or referred to in this Guarantee; (3) the dissolution of, termination of existence of, loss of good standing status by, appointment of a receiver for, assignment for the benefit of creditors of, or the commencement of any insolvency or bankruptcy proceeding by or against, any of the undersigned; and/or (4) the entry of any monetary judgment or the assessment against, the filing of any tax lien against, or the issuance of any writ of garnishment or attachment against any property of or debts due any of the undersigned. If a Default occurs, the obligations of the undersigned shall be due immediately and payable without notice. Upon the death of one of the undersigned, the estate shall be bound by this Guarantee for all obligations existing at the time of death. The obligations of the surviving Guarantors shall continue in full force and effect.

This Guarantee shall inure to the benefit of and be binding upon the parties and their respective heirs, legal representatives, successors and assigns. Franchisor's interests in and rights under this Guarantee are freely assignable, in whole or in part, by Franchisor. Any assignment shall not release the undersigned from this Guarantee.

Section XXI (Costs of Enforcement; Governing Law; Venue) of the Agreement is incorporated by reference into this Guarantee and all capitalized terms that are not defined in this Guarantee shall have the meaning given them in the Agreement.

[Signatures follow on next page.]

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his signature, under seal.

GUARANTORS:

Date: _____

Name: _____

Address: _____

Date: _____

Name: _____

Address: _____

Date: _____

Name: _____

Address: _____

Date: _____

Name: _____

Address: _____

EXHIBIT C TO AEROWEST FRANCHISE AGREEMENT

EXISTING ACCOUNTS ASSIGNED TO FRANCHISEE

Existing Account Assignment Fee:_____

The following Existing Accounts shall be assigned to Franchisee:

EXHIBIT C
PROMISSORY NOTE

WEST SANITATION SERVICES, INC.

PROMISSORY NOTE

DATE: _____, 20__

PRINCIPAL: \$_____.00

PLACE: _____ @ 10% interest per annum

FOR VALUE RECEIVED, the undersigned, _____, joint and several, and in solido (hereinafter "MAKER"), promises to pay to the order of WEST SANITATION SERVICES, INC., a Louisiana corporation (hereinafter "HOLDER"), or order, at 2158 Beaumont Drive, Baton Rouge, Louisiana 70806, or at such other place HOLDER may, from time to time, designate in writing, the principal sum of AND 001/00 DOLLARS (\$_____.00). Interest shall accrue on the unpaid principal balance from the date hereof at the rate of ten percent (10%) per annum.

This Promissory Note is given pursuant to the terms of an AeroWest Franchise Agreement dated _____, 20__ by and between HOLDER and MAKER, and is subject to the terms and conditions of the Franchise Agreement.

Principal and interest hereunder shall be due and payable in _____(____) equal weekly installments of \$_____, or more, commencing on _____, 20__, and continuing thereafter on the same day of each succeeding week until the entire amount of principal and accrued interest due hereunder have been paid in full. Each payment shall be credited first to interest then due and the remainder to principal and interest shall thereupon cease upon the principal so credited.

MAKER may prepay this Promissory Note in whole or in part at any time and from time to time without penalty; provided, however, that any such prepayment shall be credited against the last coming due rather than the next coming due installments of principal to be paid hereunder.

The following shall be considered Events of Default:

1. Failure to make any payments due on the date due hereunder;
2. The default by MAKER on any agreement with HOLDER or its affiliates including the Franchise Agreement, that MAKER fails to cure within the applicable cure period, if any;
3. The admission in writing by MAKER that it is unable to pay its debts as they mature or that it is generally not paying its debts as they mature;
4. The liquidation, termination or dissolution of MAKER;
5. Any levy or execution upon, or judicial seizure of, any portion of any collateral or security for this Note;
6. The institution of any legal action or proceedings to enforce any debt, lien or encumbrance upon any portion of any collateral or security for this Note, that is not dismissed within thirty (30) days after its institution;
7. The filing by MAKER (or against MAKER) of any proceeding under the federal bankruptcy laws now or hereafter existing or any other similar statute now or hereafter in effect; the entry of an order for relief under such laws with respect to MAKER; or the appointment of a receiver, trustee, custodian or conservator of all or any part of the assets of MAKER; and
8. The insolvency of MAKER; or the execution by MAKER of an assignment for the benefit of creditors; or the convening by MAKER of a meeting of its creditors, or any class thereof, for

purposes of effecting a moratorium upon or extension or composition of its debts; or the failure of MAKER to pay its debts as they mature; or if MAKER is generally not paying its debts as they mature.

Time is of the essence with respect to this Note. At the option of HOLDER, the entire unpaid principal balance and all other amounts payable hereunder shall become immediately due and payable upon the occurrence of any Event of Default.

Failure of HOLDER to exercise any option hereunder shall not constitute a waiver of the right to exercise the same in the event of any subsequent default or in the event of continuance of any existing default after demand for strict performance hereof.

MAKER agrees that to the extent MAKER makes any payment to HOLDER in connection with the indebtedness evidenced by this Note, and all or any part of such payment is subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid by HOLDER or paid over to a trustee, receiver or any other entity, whether under any bankruptcy act or otherwise (any such payment is hereinafter referred to as a "Preferential Payment"), then the indebtedness of MAKER under this Note shall continue or shall be reinstated, as the case may be, and, to the extent of the Preferential Payment and to the extent permitted by law, the indebtedness evidenced by this Note or part thereof intended to be satisfied by such Preferential Payment shall be revived and continued in full force and effect as if said Preferential Payment had not been made.

All notices, demands, and other communications given or made hereunder shall be transmitted in writing and shall be deemed to have been duly given when delivered in person or when delivered by an overnight delivery service, addressed as follows:

HOLDER: 2158 Beaumont Drive
Baton Rouge, Louisiana 70806

MAKER: _____

Either party may change his, her or its address by giving notice of such change of address to the other party. Mailed notices shall be deemed communicated within three (3) days from the time of mailing if mailed as provided in this Promissory Note. Principal and interest payable hereunder shall be paid in lawful money of the United States.

MAKER hereby irrevocably submits to the jurisdiction, process and venue of any Louisiana state or federal court sitting in Baton Rouge, Louisiana, and hereby irrevocably agrees that any action may be heard and determined in such Louisiana state court or in such federal court. MAKER hereby irrevocably waives, to the fullest extent it may effectively do so, the defenses of lack of jurisdiction over any person, inconvenient forum or improper venue, to the maintenance of any action in any jurisdiction.

This Note shall be binding upon MAKER and its successors and assigns and shall inure to the benefit of HOLDER, and any subsequent holders of this Note, and their successors and assigns.

This Note is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules and regulations. If any provision of this Note, with the application thereof to any person or circumstance, shall be invalid or unenforceable for any reason and to any extent, then the remainder of this Note in the application of such provision to other persons or circumstances shall not be affected thereby but rather shall be enforced to the extent permitted by law.

This Note shall be governed by and construed according to the laws of the State of Louisiana, without giving effect to conflict of laws principles.

MAKER:

[_____]

Date: _____, 20____

By: _____

Name: _____

Its: _____

_____ (Individually)

Date: _____, 20____

Witness: _____

**GUARANTY
(PROMISSORY NOTE)**

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS ("Guaranty") is given this ___ day of _____, 20__ by _____, a resident of the State of _____, and by _____, a resident of the State of _____ (jointly and severally "GUARANTOR").

In consideration of the willingness of WEST SANITATION SERVICES, INC. ("HOLDER") to accept the foregoing Promissory Note ("Note") from _____ ("MAKER") dated as of _____, 20__ in the sum of _____ (\$_____) and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, GUARANTOR hereby irrevocably, absolutely and unconditionally: (1) guarantees to HOLDER and its successors and assigns that MAKER shall punctually perform each and every undertaking set forth in the Note; and (2) agree personally to be liable for MAKER's default under the Note.

1. Guarantor waives: (a) acceptance and notice of acceptance by HOLDER of the foregoing undertakings; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right they may have to require that an action be brought against MAKER or any other person as a condition of liability; (e) all rights to payments and claims for reimbursement or subrogation which Guarantor may have against MAKER arising as a result of the execution of and performance under this Guaranty by Guarantor; (f) any law or statute which requires that HOLDER make demand upon, assert claims against or collect from MAKER or any others, foreclose any security interest, sell collateral, exhaust any remedies or take any other action against MAKER or any others prior to making any demand upon, collecting from or taking any action against Guarantor with respect to this Guaranty; and (g) any and all other notices and legal or equitable defenses to which Guarantor may be entitled.

2. Guarantor consents and agrees that: (a) each Guarantor's direct and immediate liability under this Guaranty will be joint and several, both with MAKER and among other guarantors; (b) each Guarantor shall render any payment or performance required under the Note upon demand if MAKER fails or refuses punctually to do so; (c) such liability shall not be contingent or conditioned upon pursuit by HOLDER of any remedies against MAKER or any other person; (d) such liability shall not be diminished, relieved or otherwise affected by any amendment of the Note, any extension of time, credit or other indulgence which HOLDER may from time to time grant to MAKER or to any other person including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable during the term of the Note and for so long thereafter as there are monies or obligations owing from MAKER to HOLDER under the Note; and (e) monies received from any source by HOLDER for application toward payment of the obligations under the Note and under this Guaranty may be applied in any manner or order deemed appropriate by HOLDER.

3. If any of the following events occur, a default ("Default") under this Guaranty shall exist: (a) failure of timely payment or performance of the obligations under this Guaranty; (b) breach of any agreement or representation contained or referred to in this Guaranty; (c) the death of, appointment of a guardian for, dissolution of, termination of existence of, loss of good standing status by, appointment of a receiver for, assignment for the benefit of creditors of, or the commencement of any insolvency or bankruptcy proceeding by or against, any Guarantor; and/or (d) the entry of any monetary judgment or the assessment against, the filing of any tax lien against, or the issuance of any writ of garnishment or attachment against any property of or debts due any Guarantor. If a Default occurs, the obligations of Guarantors shall be due immediately and payable without notice.

4. Guarantor agrees to pay all costs of collection, including all attorneys' fees, if this Guaranty is collected by or through an attorney at law.

5. This Guaranty shall inure to the benefit of and be binding upon the parties and their respective heirs, shareholders, officers, directors, legal representatives, successors and assigns. HOLDER's interests in and rights under this Guaranty are freely assignable, in whole or in part, by HOLDER. Any assignment shall not release any Guarantor from this Guaranty.

6. This Guaranty is intended to constitute a contract under and shall be construed, interpreted and enforced in accordance with the laws of the State of Louisiana. If any provision of this Guaranty shall be deemed unenforceable under applicable law, such provision shall be ineffective, but only to the extent of such unenforceability, without invalidating the remainder of such provision or the remaining provisions of this Guaranty.

7. Without limiting the right of HOLDER to bring any action or proceeding against MAKER or against any property of MAKER (an "Action") arising out of or relating to this Guaranty in the courts of other jurisdictions, Guarantor hereby irrevocably submits to the jurisdiction, process and venue of any Louisiana state or federal court sitting in Baton Rouge, Louisiana, and hereby irrevocably agrees that any Action may be heard and determined in such Louisiana state court or in such federal court. Guarantor hereby irrevocably waives, to the fullest extent they may effectively do so, the defenses of lack of jurisdiction over any person or entity, inconvenient forum or improper venue, to the maintenance of any Action in any jurisdiction.

Date: _____, 20____

_____ (Individually)

Witness: _____

EXHIBIT D

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

LIST OF STATE ADMINISTRATORS

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

CALIFORNIA Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free: (866) 275-2677 Email: ASK.DFPI@dfpi.ca.gov	NEW YORK NYS Department of Law Investor Protection Bureau 28 Liberty St. 21st Fl New York, NY 10005 (212) 416-8222
HAWAII Commissioner of Securities Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	NORTH DAKOTA North Dakota Securities Department State Capitol Department 414 600 East Boulevard Avenue, Fourteenth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Office of the Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	RHODE ISLAND Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	SOUTH DAKOTA Division of Insurance Securities Regulation 124 South Euclid Avenue, 2 nd Floor Pierre, South Dakota 57501 (605) 773-3563
MARYLAND Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	VIRGINIA State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051
MICHIGAN Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1 st Floor Lansing, Michigan 48913 (517) 335-7567	WASHINGTON Department of Financial Institutions Securities Division – 3 rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760
MINNESOTA Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	WISCONSIN Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

AGENTS FOR SERVICE OF PROCESS

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states. There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents in some of the states listed.

CALIFORNIA Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free: (866) 275-2677 Email: ASK.DFPI@dfpi.ca.gov	NEW YORK New York Secretary of State One Commerce Plaza 99 Washington Avenue Albany, NY 12231 (518) 473-2492
HAWAII Commissioner of Securities Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	NORTH DAKOTA North Dakota Securities Commissioner State Capitol Department 414 600 East Boulevard Avenue, Fourteenth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	RHODE ISLAND Director of Department of Business Regulation Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	SOUTH DAKOTA Division of Insurance Director of the Securities Regulation 124 South Euclid Avenue, 2 nd Floor Pierre, South Dakota 57501 (605) 773-3563
MARYLAND Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	VIRGINIA Clerk of the State Corporation Commission 1300 East Main Street, 1 st Floor Richmond, Virginia 23219 (804) 371-9733
MICHIGAN Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1 st Floor Lansing, Michigan 48913 (517) 335-7567	WASHINGTON Director of Department of Financial Institutions Securities Division – 3 rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760
MINNESOTA Commissioner of Commerce Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	WISCONSIN Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

EXHIBIT E
STATE ADDENDA

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES
REQUIRED BY THE STATE OF CALIFORNIA**

1. SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

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

See the cover page of the disclosure document for our URL address. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

2. **Item 3, Additional Disclosure**. The following statement is added to Item 3:

Neither AeroWest, nor any person listed in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a *et seq.*, suspending or expelling such parties from membership in such association or exchange.

3. **Item 17, Additional Disclosures**. The following statements are added to Item 17:

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning transfer, termination or non-renewal of the franchise agreement. If the agreement contains a provision that is inconsistent with the law, the law will control.

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

The franchise agreement provides for application of the laws of Louisiana. This provision may not be enforceable under California law.

The franchise agreement contains a choice of forum provision. This provision may not be enforceable under California law.

The franchise agreement contains a covenant not to compete that extends beyond the termination of the franchise. This provision may not be enforceable under California law.

You must sign a general release if you transfer the rights granted under the franchise agreement and if you renew your franchise. These provisions may not be enforceable under California law. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 21000 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

4. **Item 22, Additional Disclosure**. The following statements are added to Item 22:

No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee's understanding of the law and facts as of the time of the franchisee's investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURE
REQUIRED BY THE STATE OF ILLINOIS**

Item 17, Additional Disclosures. The following statements are added to Item 17:

Illinois law governs the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

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

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

Item 22, Additional Disclosures. The following statements are added to Item 22:

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

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to these Additional Disclosures.

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES
REQUIRED BY THE STATE OF MICHIGAN**

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

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

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

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchisee on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchisee for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

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

Any questions regarding this Notice shall be directed to the Michigan Attorney General's Office, Consumer Protection Division, Franchise Section, 525 West Ottawa Street, G. Mennen Williams Building, 1st Floor, Lansing, Michigan 48913, (517) 373-7117.

**ADDENDUM TO THE AEROWEST FRANCHISE AGREEMENT
REQUIRED FOR ILLINOIS FRANCHISEES**

This Addendum to the AeroWest Franchise Agreement dated as of _____
("Franchise Agreement") between West Sanitation Services, Inc. ("Franchisor"), a Delaware corporation,
and _____ ("Franchisee"), a _____ formed in
_____, is entered into as of the ____ day of _____, 20__.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: (A) the offer or sale of the franchise to Franchisee was made in the State of Illinois; (B) Franchisee is a resident of the State of Illinois; and/or (C) the AeroWest Business, and/or all or part of the Route, will be located in the State of Illinois.
2. The following sentence is added at the end of Section XIV:

Notwithstanding the foregoing, Franchisee's rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
3. The following sentence is added to the end of Section 21.02:

Notwithstanding the foregoing, Illinois law shall govern this Agreement.
4. The following sentence is added to the end of Section 21.02:

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement which designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois.
5. The following sentence is added to the end of Section 21:

Section 27 of the Illinois Franchise Disclosure Act provides that causes of action under the Act must be brought within the earlier of: three years of the violation, one year after the franchisee becomes aware of the underlying facts or circumstances or 90 days after delivery to the franchisee of a written notice disclosing the violation.
6. The following sentence is added to the end of Section 22:

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

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
7. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.
8. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have duly signed and delivered this Addendum as of day and year first written above.

WEST SANITATION SERVICES, INC.
a Delaware corporation
Franchisor

a _____
Franchisee

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

EXHIBIT F
LIST OF FRANCHISEES

**LIST OF FRANCHISED AEROWEST BUSINESSES
AS OF DECEMBER 31, 2022**

Franchisee Entity and Contact Person	Cities in which Route is Located	State	Phone Number	Address of Franchisee
Joe Kyle	Los Angeles	CA	(626) 487-3755	368 Fuego Avenue, Pomona, CA 91767
Von Wade	Los Angeles	CA	(626) 736-3117	3619 Van Wig Avenue, Baldwin Park, CA 91706
Modern Scent Solutions LLC, Sheldon Gray	Atlanta	GA	(404) 827-8257	1799 Briarcliff Rd NE #15215, Atlanta, GA 30333
Richard Mancuso	Aurora, Chicago	IL	(847) 259-9380	3802 Raven Lane, Rolling Meadows, IL 60008
Margie Krizek	Chicago	IL	(773) 551-3237	N6959 Ballard Road, Seymour, WI 54165
HGC Sanitation LLC, Chris Tannous	Chicago	IL	(248) 747-1513	8341 Busko Circle, Warren, Michigan 48093
Margie Krizek	Evanston	IL	(773) 551-3237	N6959 Ballard Road, Seymour, WI 54165
Denis Badeaux	Baton Rouge	LA	(225) 687-3109	P. O. Box 414, Plaquemine, LA 70765
Neil Ortego	Ville Platte, Lafayette	LA	(337) 831-3779	402 Jean Vidrine Drive, Ville Platte, LA 70586
Y Sanitize LLC, Timothy St. John	Baltimore	MD	(301) 437-1686	4300 Cedar Forest Drive, Apt. C, Fairfax, VA 22030
HGC Sanitation LLC, Chris Tannous	Detroit	MI	(248) 747-1513	8341 Busko Circle, Warren, Michigan 48093
RJH Distributors, Russell Harris	Jackson, Hattiesburg	MS	(662) 321-5938	139 Round Mountain, El Paso, AR 72045
Barbato Enterprises, Rick Barbato	Goldsboro	NC	(919) 735-0565	217 N Cottonwood Drive, Goldsboro, NC 27530
Louis Serra	New York	NY	(718) 984-8628	360 Barlow Ave. Unit 83, Staten Island, NY 10308
Robert D'Amico	Philadelphia	PA	(215) 858-1248	133 S. Balliet Street, Frackville, PA 08322
Michael Lent	Westchester	PA	(848) 468-0229	P.O. Box 10846, Lancaster, PA 17605
Cindy Shumate	Dallas	TX	(972) 263-8949	1034 S.E. 3rd St., Grand Prairie, TX 75051
Claude Smothers	Fort Worth	TX	(940) 476-2434	478 Bar G Rd., Bowie, TX 76230-8236
Y Sanitize LLC, Timothy St. John	Alexandria	VA	(301) 437-1686	4300 Cedar Forest Drive, Apt. C, Fairfax, VA 22030

Franchisee Entity and Contact Person	Cities in which Route is Located	State	Phone Number	Address of Franchisee
Barbato Enterprises, Rick Barbato	Richmond	VA	(919) 735-0565	217 N Cottonwood Drive, Goldsboro, NC 27530
Marcus Dabney	Seattle	WA	(206) 772-4909	12215 78th Ave S, Seattle, WA 98178
Jay Behnke	Milwaukee	WI	(920) 342-2909	N.4608 Hickory Street, Hustisford, WI 53034

**LIST OF FRANCHISEES THAT TRANSFERRED THEIR FRANCHISE AGREEMENT, CLOSED THEIR FRANCHISED BUSINESS
OR WHOSE FRANCHISE AGREEMENT WAS TERMINATED IN 2022**

Franchisee Entity and Contact Person	Cities in which Route was Located	State	Phone Number	Address of Franchisee
Charles Hanby	Birmingham, Mobile	AL	(251) 209-3877	7131A Cloverleaf Landing Road, Bay Minette, AL 36507
Kevin Heckinger	West Burlington	IA	(563) 505-2121	P.O. Box 1504, Bettendorf, IA 52722

**LIST OF FRANCHISEES WHO SIGNED A FRANCHISE AGREEMENT BUT WHOSE FRANCHISED BUSINESS
WAS NOT OPEN AS OF DECEMBER 31, 2022**

None

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

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- Hubspot CRM
- Brochures

8) AeroWest Sales Training

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- Understanding the sales process
- Selling fundamentals

- Selling Principles
- Practices that Distinguish High Sales Performance
- Features and Benefits
- Product and Service Knowledge
- How are Customers Different Today?
- Sales Techniques
- Communication Skills
- Time Management and Organization
- Giving Away Free Trials
- AeroWest Prospect Customer List and Title of Decision Maker
- Sales Training Support Information
 - Overcoming call reluctance
 - What not to say during a cold call
 - Cold calling cheat sheet
 - Conquering your cold call fears
 - Cold calling statistics
 - How to make great discovery calls
 - Tweak your presentation to win more sales
 - Sales in today's marketplace
 - Reading body language
 - How are customers different today?
 - Overcoming price objections
 - Why should they buy from you?
 - 6 worst sales mistakes
 - How to build relationships through questioning
 - Knowing when "no" becomes a "yes"
 - Turning objections into sales
 - Closing the sale
 - Tweak your emails to get a better response
 - Great sales proposals
 - Guide to buyer enablement
 - Sales enablement

9) Appendix of Support Documentation

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- Verification of Training
- Washroom Calendar
- AeroWest Capabilities Statement
- Quick Service Mobile Setup Steps
- Free Trial Agreement
- Customer Agreement
- Fragrance Chart
- Incident Report Form
- Important Website Links

EXHIBIT H

FRANCHISEE DISCLOSURE QUESTIONNAIRE

**FRANCHISEE DISCLOSURE QUESTIONNAIRE
TO BE COMPLETED BEFORE
SIGNING AN AEROWEST FRANCHISE AGREEMENT**

You are preparing to enter into an AeroWest Franchise Agreement ("Agreement") with West Sanitation Services, Inc. ("we" "our" or "us"). Please review each of the following questions carefully and provide complete responses to each.

Franchise Applicant _____

1. Have we provided you with a Franchise Disclosure Document at least 14 calendar days (or the earlier of the first personal meeting or 10 business days if you are a prospect based in or will operate in New York; the earlier of the first personal meeting or 14 days if you are a prospect based in or will operate in Iowa; or 10 business days if you are a prospect based in or will operate in Michigan) before you signed any agreements or paid any money or other consideration to us or our affiliates?

Yes ___ No ___

2. Did you sign a Receipt indicating the date on which you received the Franchise Disclosure Document?

Yes ___ No ___

3. Please list any questions you have regarding the franchise opportunity that you would like to discuss prior to signing the Agreement. (Attach additional pages, if necessary.)

4. Please list any information provided to you by any employee or other person speaking on our behalf concerning the sales, revenue, profits, or operating costs of one or more AeroWest businesses operated by us, our affiliates, or our franchisees or that you may earn or experience that is in addition to the information contained in the Franchise Disclosure Document:

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the California Franchise Investment Law or any other state franchise registration and disclosure law.

FRANCHISE APPLICANT

[Insert name of Franchise Applicant]

By: _____
[Name of Person signing on behalf of Franchise Applicant]

Its: _____
[Title of Person signing on behalf of Franchise Applicant]

OWNER(S) OF FRANCHISE APPLICANT

[Insert name of Owner]

[Signature of Owner]

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:

STATES	EFFECTIVE DATE
California	PENDING
Illinois	PENDING
Michigan	PENDING

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

RECEIPT

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

If West Sanitation Services, Inc. offers you a franchise, West Sanitation Services, Inc. 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. New York requires that West Sanitation Services, Inc. give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Iowa requires that West Sanitation Services, Inc. give you this disclosure document at the earliest of the first personal meeting or 14 calendar days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Michigan requires that West Sanitation Services, Inc. give you this disclosure document at least ten business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

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

The franchisor is West Sanitation Services, Inc., located at 2158 Beaumont Drive, Baton Rouge, Louisiana 70806. Its telephone number is 225-302-5570.

The issuance date of this Franchise Disclosure Document is May 1, 2023.

The name, principal business address and telephone number of each franchise seller offering the franchise is: Dr. Maria Bhacca, President and Chief Executive Officer; Paul Pittman, Chief Financial Officer; Monica Gayle, Chief Operating Officer; Deirdre Gagliano, Sales and Franchise Coordinator and Customer Success Manager; Ben J. Elder, Owner; and Yahima Hernandez, Salesperson; West Sanitation Services, Inc., 2158 Beaumont Drive, Baton Rouge, Louisiana 70806, 225-302-5570.

West Sanitation Services, Inc. authorizes the respective state agencies identified on Exhibit D to receive service of process of it in the particular state.

I have received a Franchise Disclosure Document dated May 1, 2023 that included the following Exhibits:

- A. Financial Statements
- B. Franchise Agreement
- C. Promissory Note
- D. List of State Administrators And Agents For Service Of Process
- E. State Addenda
- F. List of Franchisees
- G. Table of Contents Of Manual
- H. Franchisee Disclosure Questionnaire

Date Received

Prospective Franchisee

Name (please print)

Address: _____

Please sign this copy of the receipt, date your signature, return the signed receipt to Paul Pittman at West Sanitation Services, Inc., 2158 Beaumont Drive, Baton Rouge, Louisiana 70806 or paul.pittman@aerowest.com.

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 West Sanitation Services, Inc. offers you a franchise, West Sanitation Services, Inc. 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. New York requires that West Sanitation Services, Inc. give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Iowa requires that West Sanitation Services, Inc. give you this disclosure document at the earliest of the first personal meeting or 14 calendar days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Michigan requires that West Sanitation Services, Inc. give you this disclosure document at least ten business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

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

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Date Received

Prospective Franchisee

Name (please print)

Address: _____

Please sign this copy of the receipt, date your signature and retain the signed Receipt for your records.