FRANCHISE DISCLOSURE DOCUMENT

Krystal Klean Franchisor, LLC
A Delaware limited liability company
1326 Tamson Street, Suite 201
Cambria, California 93428
(805) 203-5554
www.krystalklean.com

Krystal Klean Franchisor, LLC offers franchises for businesses that provided mobile, on-site pressure washing services, window cleaning services and related services under the mark "Krystal Klean".

The total investment necessary to begin operation of a franchise is $158,950 to $435,375. This includes $62,750 to $218,750 that must be paid to franchisor or its affiliate(s). Under the Account Transfer Program or Company-Owned Business Purchase Program, the total initial investment for a franchise is $188,950 to $2,435,375. This includes $92,750 to $2,218,750 that must be paid to franchisor or its affiliates(s). The total investment for two to five franchises under the Development Agreement is $163,950 to $735,375. This includes $67,750 to $518,750 that must be paid to franchisor or its affiliate(s).

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, please contact Kyle Mason at 1326 Tamson Street, Suite 201, Cambria, California 93428, telephone: (805) 203-5554.

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

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, N.W., 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.

Issuance Date: May 2, 2025

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 Exhibits M-1 and M-2.
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?	Exhibit N 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 Krystal Klean business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Krystal Klean franchisee?	Exhibits M-1 and M-2 list current and former franchisees. You can contact them to ask about their experiences.

What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement and development agreement require you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in New Jersey. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in New Jersey than in your own state.

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.

MICHIGAN NOTICE

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:

1. A prohibition on the right of a franchisee to join an association of franchisees.

2. 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.

3. A provision that permits a franchisor to terminate a franchise before 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.

4. 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.

5. 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.

6. 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.

7. 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:

   (a) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

   (b) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

   (c) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(d) 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.

8. A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value 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 Section 3.

9. 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.

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

THE FACT THAT 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 should be directed to:

Michigan Department of Attorney General
G. Mennen Williams Building, 7th Floor
525 W. Ottawa St.
P.O. Box 30212
Lansing, MI 48909
(517) 373-7117

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APPLICABLE STATE LAW MAY REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT. THESE ADDITIONAL DISCLOSURES, IF ANY, APPEAR IN **EXHIBIT L**.

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

General

To simplify the language in this Disclosure Document, **"Company", "we"** or **"us"** means Krystal Klean Franchisor, LLC. **"You"** means the person who buys the Franchise, whether you are an individual person or an entity. We are a Delaware limited liability company formed on June 17, 2024. Our principal place of business is 1326 Tamson Street, Suite 201, Cambria, California 93428. We do business under our entity name, Krystal Klean Franchisor, LLC, and the name "Krystal Klean".

We began offering franchises ("**Franchises**") under the Krystal Klean mark, associated logos, commercial symbols and other trade names, service marks and trademarks as now or are later designated as a part of the System (collectively, the "**Marks**") on September 5, 2024.

Franchises offer mobile, on-site pressure washing services, window cleaning services and related services under the Marks. The distinguishing characteristics of our system (the **"System"**) include, without limitation, the Marks, distinctive business formats, the Krystal Klean Operations Manual (the **"Manual"**), the Vehicles (as defined), initial and ongoing certification programs and assistance, procedures and techniques for providing services, operations, management and accounting, and advertising and promotional programs. We may change the System periodically.

We license the proprietary Krystal Klean software to our franchisees. Our franchisees must purchase the Krystal Klean proprietary wash box from us, and which will be installed by us, on approved chassis truck beds (the proprietary wash box, its contents and the chassis together are the **"Vehicle"**). We may sell chassis truck beds to our franchisees from time to time. We sell parts, chemicals and other supplies to our franchisees.

We will also own and support company-owned Fleet Clean businesses (each, a **"company-owned business"**). We provide financing for qualified franchisees as described in **Item 10.**

Except as set forth above, we engage in no activities other than offering, selling and supporting Franchises, and we do not operate a business of the type being franchised, however, our parent, Kept Companies, Inc., a New Jersey corporation (**"Kept Co."**), owns and operates pressure washing and window cleaning businesses as described below. We have not offered, and do not offer, franchises in any other line of business.

Agents for Service of Process

To the extent that we have appointed an agent for service of process in a specific state, it is listed on **Exhibit A**. For other states, our agent for service of process is The First State Registered Agent Company and its address is 1925 Lovering Avenue, Wilmington, Delaware 19806.

Predecessors, Parents and Affiliates

Our predecessor is Krystal Companies, Inc., a Delaware corporation (**"Krystal**

Companies"). Our parent company, Kept Companies, Inc., a New Jersey corporation (**"Kept Co."**), acquired the Marks and the System from Krystal Companies in May 2019. Krystal Companies' principal place of business is 13679 Atlantic Boulevard, Jacksonville, Florida 32225. Krystal Companies did not offer franchises in any line of business and did not engage in any other business activities.

Our parent is Kept Co. Its principal place of business is 26 Law Drive, Fairfield, New Jersey 07004. Kept Co. engages in a wide variety of commercial businesses relating to the maintenance of commercial facilities, vehicles and equipment throughout the United States. Certain of these businesses involve pressure washing, window cleaning and other services your Franchise may offer. In addition to the Krystal Klean brand, Kept Co., itself or through its subsidiaries, owns eight other brands as follows:

- "Fleet Clean" and "Fleetwash", which both offer onsite, mobile commercial vehicle cleaning services
- "GlideRite", which offers commercial equipment repair and cleaning services
- "ClimCo Mechanical", which offers HVAC installation, coil cleaning and case cleaning
- "Enviroclean", which offers sidewalk cleaning, disinfecting, gas station washing and trash chute and trash compacter cleaning services
- "Greasepro", which offers kitchen exhaust system cleaning services
- "SunScrub," which offers commercial solar panel cleaning services
- "Maintain That", which offers sweeping & litter patrol (portering), compactor cleaning, line striping, parking lot washing, on-call graffiti and oil spill removal, and snow removal services

Kept Co. may offer you the opportunity to participate in Kept Co.'s service program and provide mobile, on-site pressure washing services, window cleaning services and related services for Kept Co.'s customers (the **"Kept Co. Services Program"**). Each such customer account is referred to as a **"Kept Co. Service Program Account"**). Neither we, nor Kept Co., have any obligation to offer you the opportunity to participate in the Kept Co. Services Program, and you have no obligation to participate. If you are offered the opportunity to participate and you desire to do so, you will be required to enter into a services agreement with Kept Co., a current copy of which is attached as **Exhibit B** (the **"Kept Co. Services Agreement"**). Kept Co. may profit from the work performed by you for Kept Co. Service Program Accounts. In addition, we may charge Royalty Fees (as defined), Call Center & Brand Fund Contributions (as defined) and any other fees that are calculated based on your Gross Revenue (as defined). We may also charge National Account Support Fees (as defined).

Except as set forth above, Kept Co. does not engage in other business activities. Kept Co. has not offered franchises in any line of business.

Kept Co.'s subsidiary and our affiliate, FW Fleet Clean, LLC, a Delaware limited liability company (**"FWFC"**), offers franchises for mobile, on-site, commercial vehicle cleaning and related services businesses. FWFC also owns and operates mobile, on-site, commercial vehicle cleaning and related services businesses. FWFC has its principal place of business at 921 Empire Mesa Way, Henderson, Nevada 89011. FWFC began offering franchises in January 2019 and, as of December 31, 2024 had 40franchisees. Except as described in this paragraph, FWFC does not engage in other business activities and has not offered franchises in any other line of business. Other than FWFC, we have no affiliates that offer franchises in any line of business.

We have no affiliates that offer and sell required products or services to our franchisees.

The Franchise Rights Offered

Franchise Agreement

We enter into franchise agreements (**"Franchise Agreements"**) with qualified parties who wish to establish and operate a Franchise under the System using the Marks. The form of Franchise Agreement is attached as **Exhibit C**.

You must operate your Franchise within your **"Territory"**, which will be negotiated by you and us before you sign the Franchise Agreement and specifically described on the Summary Page to the Franchise Agreement. Your Territory is comprised of two separate areas. Your "**Residential Services Territory"** is the area within which you may provide approved services for residential buildings. Your **"Commercial Services Territory"** which is the area within which you may provide approved services for "smaller" commercial buildings.

You may be required to establish a physical location either prior to or after opening (rather than a home office) your Franchise (the **"Franchise Location"**) within your Territory. See this **Item 1** under "Special Industry Regulation" for legal requirements that might dictate that you obtain a Franchise Location and **Item 7** for further information regarding certain factors that we consider when determining if you must have a Franchise Location and associated cost estimates. If you are required to have a Franchise Location or otherwise desire to operate your Franchise from a Franchise Location, you must lease, sublease, or purchase the premises for the Franchise, subject to our approval.

Each franchisee must appoint an individual owner as its **"Operating Principal"** who must own at least a 20% interest in the entity-franchisee, must have authority over all business decisions related to the Franchise, and must have the power to bind the franchisee in all dealings with us. Each franchisee must also appoint a manager to manage the day-to-day business of the Franchise (the **"Manager"**). Your Operating Principal may serve as your Manager, unless we believe that he or she does not have sufficient experience.

Development Agreement

We offer qualified parties ("**you**" or the "**Developer**") who have entered into a Franchise Agreement the right to develop additional Franchises in one or more additional geographic areas that are specified in the Development Agreement (individually, a **"Development Area"** and collectively, all Development Areas are the **"Development Areas"**). The form of Development Agreement is attached as **Exhibit D**. If you sign a Development Agreement, you must agree to open more than one Franchise in the Development Areas according to the schedule described in the Development Agreement (the "**Development Schedule**"). For each additional Franchise that a Developer establishes it will be required to enter into our then-current form of Franchise Agreement which may be materially different from the Franchise Agreement attached to this Disclosure Document.

The Development Schedule will be mutually determined by you and us, based on a variety of factors, including demographics and economic factors related to your geographic area, expected demand for Franchises, your desire and ability to develop and operate the Franchises, and other factors.

Account Transfer Program

If you desire to purchase a Franchise in a Territory in which there are customer accounts serviced by one of our company-owned outlets, as a condition to granting you the right to operate a Franchise in such Territory, you may be required to purchase and assume all rights and obligations with respect to such accounts (the **"Account Transfer Program"**). The form of Account Transfer Agreement is attached as **Exhibit E.**

Company-Owned Business Purchase Program

If you desire to purchase a Franchise in a Territory in which we operate an existing company-owned Krystal Klean business, as a condition to granting you the right to operate a Franchise in such Territory, you will be required to purchase the assets of that business including accounts, the lease, vehicles, chemicals, supplies, replacement and spare parts, office furniture, computers and peripheral equipment, software, shop supplies and tools and related assets (the **"Company-Owned Business Purchase Program"**). The form of Company-Owned Business Purchase Agreement is attached as **Exhibit F.**

Support Services Program

You also have the option of signing a Support Services Agreement, under which you can elect to have us provide accounting and reporting services (the **"Support Services Agreement"**). You are not required to sign the Support Services Agreement and you may perform these services for your Franchise or contract with a third party to perform these services on your behalf. The form of Support Services Agreement is attached as **Exhibit J**.

General Market and Competition

The general market for Franchises consists of residential, commercial, or industrial clients that wish to purchase services of an outside vendor to provide pressure washing, window cleaning and other related services. The market is well-developed and competitive. Sales are seasonal.

Franchises compete with other national, regional and local businesses offering and selling similar services. You may also encounter competition from our us, our parent company, Kept Co., or other affiliates offering similar services, which may be provided on a mobile basis or at brick-and-mortar locations. Your competitors offering these same services are local, regional and national companies and franchises and individuals. These competitors may be in close proximity to your Franchise, and may have greater financial resources, larger advertising budgets, and more national (or local) recognition than the Krystal Klean brand.

Various factors can affect the success of your Franchise including inflation, competing businesses, your abilities as an operator, availability of an adequate number of qualified employees, the number of Vehicles you have, whether you will operate from a Franchise Location, and, if so, the availability and cost of your Franchise Location, interest rates, insurance rates, and increases in labor and energy costs.

Special Industry Regulation

You must comply with the local, state and federal laws, rules, regulations and ordinances that apply to the operation of your Franchise, including those which: (a) set standards pertaining

to employee health and safety; and (b) regulate the proper use, storage and disposal of waste and other hazardous materials, water usage, wash water recovery and safety.

Several federal, state and local laws, codes and regulations, including, among others, laws promulgated by the United States Environmental Protection Agency, apply to business that provide the services you will provide. Certain laws may require that you obtain a license or permit in connection with wash water recovery and disposal. As a practical matter, compliance with wash water recovery and disposal laws may require that you have a Franchise Location unless you are able arrange for the disposal of wash water through a third party. Prior to opening, we may require evidence of your compliance with these laws.

There are federal, state, and in some cases, local regulations pertaining specifically to the painting industry which vary and can change over time. These regulations pertain to contractor licensing or registration, lead paint removal and disposal, asbestos handling and removal, and hazardous waste handling and disposal. In addition, there are also worker safety laws with which you will have to comply. The EPA's Renovation, Repair and Maintenance Final Rule details both information that must be given to certain homeowners, as well as processes and procedures that must be followed in homes and other structures built before 1978. Many states and municipalities also have laws regulating the handling and disposal of hazardous materials, including paint and solvents, as well as laws and regulations pertaining to worker safety and health in the workplace. There are also many state and local laws, codes, or ordinances regarding contractor licensing and/or registration requirements.

You are also required to purchase certain chemicals, parts, and other supplies from us or approved vendors. We have not determined whether these items comply with the laws of your jurisdiction. The Franchise Agreement requires you to notify us in writing immediately if any approved or required chemical, part or supply is subject to laws in your jurisdiction.

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

You should also consider zoning regulations in your place of business and other laws to determine where you can park and store your Vehicle(s).

We recommend that you investigate whether there are regulations and requirements that may apply in the geographic area in which you are interested in locating your Franchise and consider both their effect and cost of compliance. Compliance with laws is your responsibility.

ITEM 2
BUSINESS EXPERIENCE

Chairman of the Board **Vito DiGiovanni**

Vito DiGiovanni has served as our Chairman of the Board since June 2024. He is also the Chairman of the Board of FWFC, a position he has held since November 2018, and the Chairman of the Board of Kept Co., a position he has held since 1973. He holds these positions

from Fairfield, New Jersey.

Chief Executive Officer **Anthony J. DiGiovanni**

Anthony DiGiovanni has been our Chief Executive Officer since June 2024. He is also the Chief Executive Officer of FWFC, a position he has held since November 2018, and is Chief Executive Officer of Kept Co., a position he has held since 1997. He holds these positions from Fairfield, New Jersey.

President **Gerald DiGiovanni**

Gerald DiGiovanni has been our President since June 2024. He is also the President of FWFC, a position he has held since November 2018, and is the President of Kept Co., a position he has held since 1999. He holds these positions from Fairfield, New Jersey.

Chief Merger & Acquisitions Officer **Robert MacDonald**

Robert MacDonald has been our Chief Merger & Acquisitions Officer since June 2024. He is also the Chief Merger & Acquisitions Officer of FWFC and Kept Co., positions he has held since April 2022. He was previously FWFC's Chief Financial Officer, a position that he held from November 2018 to April 2022, and was the Chief Financial Officer of Kept Co., a position that he held from March 1995 to April 2022. He holds his current positions from Fairfield, New Jersey.

Chief Financial Officer **Lee Schutzman**

Lee Schutzman has been our Chief Financial Officer since June 2024. He is also the Chief Financial Officer of FWFC and Kept Co., positions he has held since April 2022. From October 2017 to March 2019, he was Vice President, Financial Planning & Analysis with Covanta Holding Corporation. He holds these positions from Fairfield, New Jersey.

Chief Operating Officer **Christopher Panek**

Christopher Panek has been our Chief Operating Officer since June 2024. He is also the Chief Operating Officer of FWFC and Kept Co., positions he has held since June 2023. He was also previously the Vice President of Operations of Kept Co. from January 2021 to May 2023. He served as Kept Co.'s Eastern Regional Manager from January 2018 to December 2020. He holds his current positions from Fairfield, New Jersey.

Chief Technology Officer **Daniel Carlton**

Daniel Carlton has been our Chief Technology Officer since June 2024. He is also the Chief Technology Officer of FWFC and Kept Co., positions he has held since September 2023. He was previously FWFC and Kept Co.'s Chief Operating Officer from September 2019 to August 2023. He holds his current positions from Fairfield, New Jersey.

Chief Environmental Compliance Officer and Safety Director **James DiCarlo, Jr.**

James DiCarlo has been our Chief Environmental Compliance Officer and Safety Director since June 2024. He is also the Chief Environmental Compliance Officer and Safety Director of

FWFC and Kept Co., positions he has held since November 2018 and 1973, respectively. He holds these positions from Fairfield, New Jersey.

Chief Administrative Officer — Lorraine Matarazzo

Lorraine Matarazzo has been our Chief Administrative Officer since June 2024. She is also the Chief Administrative Officer of FWFC and Kept Co., positions he has held since November 2018 and 1990, respectively. She holds these positions from Fairfield, New Jersey.

Vice President Operations — Kyle D. Mason

Kyle Mason has been our Vice President of Operations since June 2024. He is also the Vice President of Operations of FWFC, a position he has held since March 2020, and the Western US Regional Manager of Kept Co., a position he has held since December 2017. He holds these positions from Cambria, California.

Executive of Franchise Administration — Darrell Gibbs

Darrell Gibbs has been our Executive of Franchise Administration since August 2024. He was also the Director of New Operations for FWFC, from January 2022 to August 2024. He holds these positions from Merritt Island, Florida. Previously, he was the District Director of Operations for Kept Companies, from October 1999 to January 2022, and an Operations Manager for Kept Companies from February 1989 to January 2020.

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

The initial franchise fee ranges from $10,000 to $150,000 (the **"Initial Franchise Fee"**). The Initial Franchise Fee is based on the density of the population related to the total area and other demographic considerations in your Territory. In our last fiscal year, we charged an Initial Franchise Fee of $10,000. The precise Initial Franchise Fee will be mutually agreed upon in advance and set forth in the Franchise Agreement prior to signing. You must pay the Initial Franchise Fee at the time you sign the Franchise Agreement.

If we conclude that the Operating Principal or Manager is unable to complete any phase of our initial certification program to our satisfaction, we may terminate the Franchise Agreement,

in which case we will refund the Initial Franchise Fee (subject to your execution of a general release), less $5,000 plus our costs and expenses. Otherwise, the Initial Franchise Fee is not refundable under any circumstances.

Development Fee

If you sign a Development Agreement, you must agree to open more than one Franchise and pay us a development fee (the "**Development Fee**") equal to 50% of the Initial Franchise Fee required for each additional Franchise after the first Franchise to be established under the Development Agreement. The formula used to calculate Development Fees will vary according to the density of the population related to the total area and other demographic considerations in your Development Area. The Development Fee is not uniformly charged. The precise Development Fee will be mutually agreed upon in advance and set forth in the Development Agreement prior to signing. You must pay the Development Fee at the time you sign the Development Agreement. The Development Fee is not refundable.

All Developers will have entered into a Franchise Agreement for the first Franchise and paid the applicable Initial Franchise Fee for the first Franchise concurrently with the signing of the Development Agreement.

If you remain in full compliance with the Development Schedule, and you are not otherwise in default under any provisions of the Development Agreement, or any other Franchise Agreement, then, for each Initial Franchise Fee you pay under a Franchise Agreement that is issued under the Development Agreement, we will credit back to you that portion of the Development Fee paid to us under the Development Agreement that is specified in the Development Agreement.

Other Initial Fees

Below are other fees that are payable to us or our affiliates prior to opening the Franchise:

Krystal Klean Software License.

You are required to enter into a Software License Agreement with us when you sign the Franchise Agreement in the form attached as **Exhibit G**. Under the Software License Agreement, you will pay us a reasonable license fee (currently $125 per month per location) and an additional access and support fee, which is currently $125 per month for the basic device package for a single device. For additional devices, monthly support and access fee pricing varies based on the type of device and the total number of devices. The license fee and the monthly support and access fee for the first month are due upon signing the Software License Agreement. These fees are uniformly charged and are not refundable. These fees do not include the cost of the device, which is currently an iPhone 10 (or a more recent version), or the service charges by the telecommunications provider.

Site Evaluation Fee.

If you obtain a Franchise Location, and we determine it is necessary to perform an on-site site evaluation for your proposed Franchise Location, we charge an evaluation fee of $1,500, plus our costs and expenses (which we estimate at $1,000 per site evaluation visit), which you must pay us prior to our performance of the on-site evaluation. We will perform an on-site evaluation if we are unable to gather sufficient data regarding such site without being physically present at

the site. These fees and costs are uniformly charged and are not refundable.

Equipment Sales Agreement – Vehicles and Proprietary Wash Box and Installation.

You are required to enter into an Equipment Sales Agreement with us in the form of attached **Exhibit H**. The proprietary wash box and installation services will cost between $50,000 and $58,000, and this amount must be paid to us at signing under the terms of the Equipment Sales Agreement. The cab and chassis may be purchased from any supplier if they meet our specifications. Fees and costs for the wash box and installation services are uniformly charged and are not refundable.

Account Transfer Program.

If you desire to purchase a Franchise in a Territory in which there are existing customer accounts, as a condition to granting you the right to operate a Franchise in such Territory, you may be required to purchase and assume all rights and obligations with respect to such accounts.

The form of the Account Transfer Agreement is attached as **Exhibit E.**

The purchase price for Krystal Klean customer accounts under the Account Transfer Program ranges from $30,000 to $500,000. The amount to be charged for the accounts is based on the historical average monthly gross billings for accounts, our estimate of future monthly gross billings and other factors. This amount is not uniformly charged and the precise purchase price will be mutually agreed upon in advance and set forth in the Account Transfer Agreement prior to signing.

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You must pay the fee in full at the time you sign the Account Transfer Agreement. Amounts paid under the Account Transfer Agreement are not refundable.

Company-Owned Business Purchase Program

If you desire to purchase a Franchise in a Territory in which we operate an existing Krystal Klean business, as a condition to granting you the right to operate a Franchise in the Territory, you may be required to purchase the assets of that business including accounts, the lease, vehicles, chemicals, supplies, replacement and spare parts, office furniture, computers and peripheral equipment, software, shop supplies and tools and related assets.

The form of Company-Owned Business Purchase Agreement attached as **Exhibit F.**

The purchase price for a Krystal Klean company-owned business under the Company-Owned Business Purchase Program ranges from $300,000 to $2,000,000. The amount to be charged for the accounts associated with the company-owned business is based on the historical average monthly gross billings for accounts, our estimate of future monthly gross billings and other factors. The amount to be charged for the remaining assets is based on fair market value. When determining the purchase price, we may also consider the density of the businesses and the population in the Territory, our estimate of future demand for services and other factors that we consider relevant. The precise purchase price will be mutually agreed upon in advance and set forth in the Company-Owned Business Purchase Agreement prior to signing.

In the 2024 fiscal year, we charged a purchase price of $1,472,990.43 for a company-owned business purchased under the Company-Owned Business Purchase Program.

You must pay the purchase price in full at the time you sign the Company-Owned Business Purchase Agreement. Amounts paid under the Company-Owned Business Purchase Agreement are not refundable.

Parts, Chemicals and Miscellaneous Supplies.

You must purchase an inventory of specified replacement parts for the Vehicle, chemicals and other miscellaneous supplies prior to commencing operations. These items must be purchased from us and the cost for an initial supply of these items ranges from $2,500 to $8,000. Costs for parts, chemicals and supplies are uniformly charged and are not refundable.

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ITEM 6
OTHER FEES

Type of Fee (**Note 1**)	**Amount**	**Due Date**	**Remarks**
Royalty Fee	8.5% of your Gross Revenue	We will pay you the net amount collected within 10 business days after payment by your customers. See **Note *2***	See **Note 2** for the definition of Gross Revenue. See also Note 5.
Advertising Obligations (**Notes 3** and **4**)	Currently, we require that you contribute 4% of your Gross Revenue to the Krystal Klean Call Center & Brand Fund	If paid to us, same as Royalty Fee	*We are currently waiving our right to receive such amount based on Gross Revenue collected from Kept Co. Service Program Accounts, but we may charge such amounts in the future.*
Advertising and Promotional Materials	$250 to $2,500	As billed	If we provide you with advertising and promotional materials to use in your Franchise, we may charge a reasonable amount for these materials.

Type of Fee (**Note 1**)	**Amount**	**Due Date**	**Remarks**
Additional Opening Assistance	Our service fee as specified in the Manuals (which is currently $200 per day); plus our expenses and costs	Upon demand	If the Franchise is your first Franchise, we will provide one or more representatives to be present at the Franchise for pre- and post-opening assistance and consultations for five days free of charge. If you request assistance, in addition to the initial certification program and opening assistance that we provide, we may charge you a service fee.
Initial Certification Program	Our then-current initial certification program fee (currently $1,895 if the initial certification program is at our headquarters, and $2,895, plus our expenses and costs, if we provide the initial certification program at your Franchise)	Upon demand	We provide the initial certification program for two individuals at no charge. We charge a fee for providing the initial certification program for any individuals that we provide beyond two individuals. We require any replacement Operating Principal or replacement Manager to complete a certification program we prescribe and charge a fee for such program.
Refresher/Additional Certification Programs/On-Site Instruction	All expenses incurred by your representatives in attending refresher/additional certification programs are your responsibility; for additional on-site instruction, you must pay us our then-current per diem charges (currently, $400 per day) and out-of-pocket expenses	Upon demand	We require that your Operating Principal or Manager attend and successfully complete refresher or additional certification programs. We may provide on-site instruction at your request and subject to the availability of our personnel.

Type of Fee (**Note 1**)	**Amount**	**Due Date**	**Remarks**
Site Evaluation	Our reasonable travel expenses. We also charge a site evaluation fee for each on-site evaluation. Currently, the evaluation fee is $1,500	Upon demand	If you will have a Franchise Location and we elect to provide an on-site assessment, we charge these fees.
Optional Advance Assurance Fee	3% of the total amount invoiced for Services	We will pay you the net amount billed for your services within 10 business days after the date of invoice. This fee is due at the time of our payment to you.	We have no obligation to pay you if your customer does not pay you. However, at your option, you may participate in the Krystal Klean Advance Assurance Program. See **Note 5.**
National Accounts Support Fee	5% of National Account Revenue	Same as Royalty Fee	National Account Revenue is Gross Revenue derived from a National Account Customer. See **Note 6**.
Software License and Support Fees	Under the Software License Agreement, you will pay us a license fee of $125 per month per location and an additional access and support fee, which is currently $125 per month per device for the basic device package. (For additional devices, monthly support and access fee pricing varies based on the type of	The annual fee and the access fee for the first month is due upon signing the Franchise Agreement	We may increase the monthly support and access fee once during every 12-month period in an amount that reflects the percentage increase during the past 12-month period in the Consumer Price Index (Urban) published by the U.S. Bureau of Statistics.

Type of Fee (**Note 1**)	**Amount**	**Due Date**	**Remarks**
	device and the total number of devices)		
Billing Processing and Service Fees	Actual amount of charges incurred by us plus $40 per hour as an administrative fee	Upon demand	If your customer requires us to use an alternate billing process, we may charge our then-current reasonable administrative fees. Our administrative fees charged for billing services are subject to change. If we incur additional out-of-pocket expenses in providing billing services, such as bank or credit card fees or other service fees, you must reimburse us.
Collection Fee	Our out-of-pocket costs	Upon demand	See **Note 7**.
Late Payment/late report charge; Interest on Overdue Amounts	$250 per month; 1.5% per month on the underpayment (**Note 8**)	Upon demand	Only due if you don't pay us the amounts you owe us, or do not submit the required reports, on time. Interest will be charged only on overdue amounts and accrues on the date when the payment was originally due.

Type of Fee (**Note 1**)	**Amount**	**Due Date**	**Remarks**
Failure to Comply with Operational Standards	Up to $100 per day per violation	Upon demand	Only due if you fail to comply with certain operational standards and specifications as specified in the Manuals and after a cure period of 10 days.
Dues and Assessments Imposed by the Franchisee Advisory Council or Association	As the franchisee advisory council or association determines	At the times required by a franchisee advisory council or association	If you are required to become a member of the Franchisee Advisory Council, you must pay the fees and assessments (if any) imposed by the council or association.
Audit Costs	Up to $3,500 per calendar quarter	Upon demand	We have the right to require an independent audit made, and you must pay us the costs of one audit each calendar quarter not to exceed $3,500. We require you to pay all costs and expenses associated with any audit if we audit the Franchise because you did not timely submit sales statements, or, if we find that you underreported your sales or underpay your Royalties by 2% or more. (You will also have to pay interest and late fees on the underpayment (see “Late Payment/late report charge; Interest on Overdue Amounts” above and **Note 8**)).
Supplier Testing	$3,000	Upon demand, if incurred	If approved, we also may require that the proposed new supplier comply with certain other requirements that we may deem appropriate, including, for example, payment of reasonable continuing inspection/evaluation fees and administrative costs.

Type of Fee (**Note 1**)	**Amount**	**Due Date**	**Remarks**
Inspection Fee	Our actual expenses	Upon demand	We require you to reimburse our reasonable expenses for any inspection including re-inspections that we may undertake to ensure that deficiencies are corrected. Additionally, if you fail to correct the deficiencies within a reasonable time, we may (but need not) correct the deficiencies and will charge you for our actual expenses in taking such actions.
Annual Brand Convention Attendance Fee	Our then current attendance fee	Upon demand	We may charge you the attendance fee regardless of whether you attend the annual brand convention.
Transfer Fee	$12,500	Half is due at time of transfer approval request; balance at time of transfer	Payable if you request a transfer and/or if you make a transfer (as defined in the Franchise Agreement), which includes the sale of your Franchise, your company, or a controlling interest in your company. (See **Note 9**)
Securities Offering	Our reasonable costs and expenses to review a proposed offering	Upon demand	If you propose to make an offering of any securities, we require you to reimburse us for our reasonable costs (including attorney's and accounting fees) in evaluating your proposed offering.
Shared Third Party Supplier Charges	Your share of any charges billed to us on behalf of your business	As incurred	We may arrange for suppliers to bill us on a System-wide basis for a product or service. We will then divide the invoice among our franchisees and charge you for your share.
Renewal Fee	The greater of 25% of the Initial Franchise Fee paid by you or $10,000	Before renewal	Payable if you choose to renew the term of the Franchise Agreement for an additional term of 5 years.

Type of Fee (**Note 1**)	**Amount**	**Due Date**	**Remarks**
Insurance procurement	Our cost to obtain insurance coverage if you fail to do so	Upon demand, if incurred	Payable only if you fail to maintain required coverage and we elect to obtain coverage for you.
Costs and Attorneys' Fees	Will vary under circumstances	Upon demand	Only if you are in default under the Franchise Agreement, in which case, we will require you to reimburse us for the expenses we incur (including reasonable attorneys' fees) because of your default and to enforce and terminate the agreement.
Liquidated Damages	Average of monthly Royalties and Call Center & Brand Fund Contributions, the past 12 months (or shorter period the Franchise has been open if less) multiplied by the lesser of 36 months or remaining months in term, discounted to present value	Upon demand	Only if the Franchise Agreement is terminated by us due to your default, or if you terminate the Franchise Agreement in violation of its terms.
Indemnity	Will vary under circumstances	As incurred	You must indemnify us and reimburse us for our costs (including our attorneys' fees and costs) if we are sued or held liable in any action having anything to do with your Franchise.
Development Schedule Extension Fee	$10,000 for each deadline stated in the Development Schedule to be extended	When you request an extension of any deadline under the Development Schedule	You will be given one extension of up to six months of the deadlines set in the Development Schedule, if you are in compliance with the Development Agreement, give us written notice at least 60 days prior to your next development deadline, and pay the extension fee.

Notes

1. All the above fees are imposed by and are payable to us or our affiliate and are not refundable. Fees paid to a third party may be refundable depending on your agreement with third parties. These fees may have been waived or modified for a particular franchisee in the past based on the particular circumstances, and we may do so in the future if we deem appropriate. All payments required under the Franchise Agreement must be made at the intervals and by the method or methods that we specify from time to time, which may include, without limitation, payment by deduction from customer payments, payment via wire transfer or electronic debit to your bank account. You must furnish us and our bank with all authorizations necessary to effect payment by the methods we specify.

2. The term "**Gross Revenue**" means amounts derived from all products or services sold from or through the Franchise, including any sale of products or services made for cash or credit, or partly for cash and partly for credit plus the proceeds of any business interruption insurance, less refunds. "**Gross Revenue**" also includes the fair market value of any services or products received by the Franchisee in exchange for Franchisee's services and products.

   We will process payments received from your customers and deduct and pay ourselves Royalty Fees and other amounts due to us. The balance will be paid to you within 10 business days after the date of payment by the customer (assuming you don't participate in the Advance Assurance Program). If a customer fails to make payment in a timely manner, we will send a letter demanding payment within 90 days after the due date of the payment. We have the right to provide invoicing services, and, if we do, we will generate and invoice your customers based on statements and other information provided by you. Subject to your participation in the Advance Assurance Program, we have no obligation to pay you if your customer does not pay invoiced amounts. You will have the opportunity to review pro forma invoices generated by us for your customers in advance. We will provide you with a report showing amounts invoiced, collected (if applicable) and a full detail of all deductions.

3. Under the Franchise Agreement, we may require that each month you contribute and/or spend up to 8% of Gross Revenue for the purpose of advertising. We will designate from time to time in writing how, and in what proportions, your advertising obligations will be allocated among the following two categories:

   a. Contributions to a Krystal Klean Call Center & Brand Fund (the "**Call Center & Brand Fund Contribution**"); and/or

   b. Contributions to a **"Market Cooperative"** (see **Note 4** below) (which will not be more than 2% of your Gross Revenue for the prior month); these contributions are subject to increase by a majority vote of your Marketing Cooperative (the "**Market Cooperative Contribution**").

   We will give you 60 days advance notice of any changes.

4. We may require you to join and contribute to the regional advertising and marketing cooperative (a "**Market Cooperative**") if one has been formed for the area in which the Franchise is located. Any company-owned locations in the region or area in which a Market Cooperative has been established will contribute to the Market Cooperative and will have the same voting rights as those Franchises owned by franchisees.

5. The Advance Assurance Program permits our franchisees to receive "advances" on amounts to be collected from specified customers so that the franchisee receives payment within ten business days after the date of invoice (rather than within ten business days from the date of the customer's payment). However, even if you pay this fee, an advance may be required to be repaid if a customer invoice is deemed "uncollectible", which is presumed if we have not collected the entire amount due within 180 days after the date of invoice. We may decide not to provide advances for customers who we believe are a bad credit risk or for customers withholding funds due to deficient service. We may discontinue the Advance Assurance Program upon 30 days advance notice.

6. A **"National Account Customer"** includes a customer that (a) operates from two or more offices or facilities that are not exclusively located within a single Krystal Klean location's territory, and (b) enters an agreement with us or an affiliate for services. It is likely that all Kept Co. Service Program Accounts will qualify as National Account Customers. Accounts acquired under Account Transfer Agreements may also qualify as National Account Customers. We or our affiliate, Kept Co., reserve the exclusive right to solicit, negotiate, and enter into agreements for accounts with National Account Customers.

7. If a customer fails to make payment in a timely manner, we will send a letter demanding payment within 90 days after the due date of the payment. Except for this letter, we have no obligation to take any other actions to collect and enforce payment of your customer accounts. However, if we do engage in such additional collection efforts, you must pay our out-of-pocket costs (including, attorney's fees, court costs and all other costs and expenses) incurred to collect and enforce payments due to you.

8. Interest accrues when your payment was initially due. Interest rates will not exceed any maximum rate that may be imposed under applicable law.

9. The balance is paid upon the closing of the transfer. If a proposed transfer is not consummated or closed, for any reason, except if we disapprove the transfer, you or the proposed transferee must reimburse us for all of our costs and expenses incurred in connection with our evaluation of the proposed transfer, including, for example, attorneys' and accountants' fees, background checks, site evaluation, and instruction, if applicable (to the extent the portion of the transfer fee paid when the transfer approval request was made does not cover those expenses).

You have the option of purchasing various accounting and financial reporting support services under the Support Services Agreement. See **Exhibit J** to this Disclosure Document for a full description of available support services and their descriptions under the Support Services Agreement. You are not required to participate in any support services. If you elect to enter into a Support Services Agreement for one or more of the services that we offer, you also may incur the following fees:

Fees Under the Support Services Agreement			
Type of Fee (Note 1)	Amount	Due Date	Remarks
Administrative Support Program (Tier 1)	One-time setup fee of $1,200; $600 per month for locations with up to $50,000 in monthly Gross Revenue, plus $100 per month for each additional $25,000 in monthly Gross Revenue.	The set-up fee is due at signing; other fees are due monthly	If you enroll in the Administrative Support Program, we will provide assistance with accounting and financial reporting.
Administrative Support Program (Tier 2) – Sales Tax Advisory Services	$65 per hour	Monthly	If you enroll in the Sales Tax Advisory Services Program, we will assist with filing for your state tax ID and will assist with remitting your state sales taxes.
Administrative Support Program (Tier 2) – Fuel Card Services	5% of your monthly fuel card spend	Monthly	If you enroll for Fuel Card Services, we will provide fuel cards to you and any employee that you designate.
Administrative Support Program (Tier 2) – Business Card Services	3% of your monthly business card spend	Monthly	If you enroll for Business Card Services, we will provide business credit cards to you and any employee that you designate.

Fees Under the Support Services Agreement			
Type of Fee (Note 1)	Amount	Due Date	Remarks
Administrative Support Program (Tier 2) – In-Market Sales Training and Support	Specialist's travel costs and room and board expenses plus a charge of $225 per day	Monthly	If you enroll in In-Market Sales Training and Support, we will assign an in-market Sales Specialist to your location for the amount of time that you designate. The Sales Specialist will provide you with marketing sales training on live sales routes.
Indemnification	All amounts we must pay on your behalf	On demand	In addition to your indemnification obligations under the Franchise Agreement, under the Support Services Agreement you must indemnify, defend and hold us and our affiliates harmless from all losses to which we become subject, or that either incurs, of any kind, character or description, arising out of, resulting from or relating in any manner to our provision of the selected Support Services.

Notes

1. All the above fees are imposed by and are payable to us or our affiliate and are not refundable. Enrollment in the Administrative Support Program (Tier 1) is needed to be eligible to enroll in Tier 2 services. These fees may have been waived or modified for a particular franchisee in the past based on the particular circumstances, and we may do so in the future if we deem appropriate. All payments required under the Support Service Agreement must be made at the intervals and by the method or methods that we specify from time to time, which may include, without limitation, payment by deduction from customer payments, payment via wire transfer or electronic debit to your bank account.

You must furnish us and our bank with all authorizations necessary to effect payment by the methods we specify.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure (1)	Amount (low)($)	Amount (high)($)	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee (2)	10,000	150,000	Check or wire transfer	Upon signing the Franchise Agreement	Us
Site Evaluation Fee (3)	0	2,500	As arranged	Prior to the on-site evaluation	Us
Lease (4)	1,600	20,000	As arranged	As arranged	Landlord
Signage (5)	0	1,000	As arranged	As arranged	Approved Suppliers
Utilities (6)	350	3,000	As arranged	As arranged	Telephone and Utility Providers
Chassis (7)	45,000	70,000	As arranged	As arranged	Vehicle Dealership
Krystal Klean Proprietary Wash Box and Installation (7)	50,000	58,000	As arranged	As arranged	Us
Chemicals, Parts and Supplies (8)	2,500	8,000	As arranged	As arranged	Us
Insurance (9)	1,500	7,000	As arranged	As arranged	Insurance Carrier
Travel and Living Expenses (Initial Certification) (10)	4,500	7,500	As arranged	As arranged	Transportation lines, Hotels and Restaurants
Wages for the Operating Principal and Manager (During Initial Certification)	5,000	10,000	As arranged	As arranged	Operating Principal and Manager
Employee Salaries (3 months)	10,000	35,000	As arranged	As arranged	Employees

Type of Expenditure (1)	Amount (low)($)	Amount (high)($)	Method of Payment	When Due	To Whom Payment Is To Be Made
iPhone 10/Computer Equipment (11)	2,000	4,000	As arranged	As arranged	Approved Suppliers
Krystal Klean Software (12)	500	875	ACH	See Note 12	Us
Permits, Licenses and Fees (13)	500	2,500	Lump sum	Before opening	Government Agencies
Professional Fees (14)	500	6,000	Lump sum	As incurred	Third Parties
Additional Funds (– 3 Months) (15)	25,000	50,000	As arranged	First 3 Months of Operations	Varies
Account Transfer Program/Company-Owned Business Purchase Program (16)	NA	NA	NA	NA	NA
TOTAL (17)	**$158,950 to $435,375**				

YOUR ESTIMATED INITIAL INVESTMENT (ACCOUNT TRANSFER PROGRAM/COMPANY-OWNED BUSINESS PURCHASE PROGRAM INCLUDED)

Type of Expenditure (1)	Amount (low)($)	Amount (high)($)	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee (2)	10,000	150,000	Check or wire transfer	Upon signing the Franchise Agreement	Us
Site Evaluation Fee (3)	0	2,500	As arranged	Prior to the on-site evaluation	Us
Lease (4)	1,600	20,000	As arranged	As arranged	Landlord
Signage (5)	0	1,000	As arranged	As arranged	Approved Suppliers
Utilities (6)	350	3,000	As arranged	As arranged	Telephone and Utility Providers
Chassis (7)	45,000	70,000	As arranged	As arranged	Vehicle Dealership

Type of Expenditure (1)	Amount (low)($)	Amount (high)($)	Method of Payment	When Due	To Whom Payment Is To Be Made
Krystal Klean Proprietary Wash Box and Installation (7)	50,000	58,000	As arranged	As arranged	Us
Chemicals, Parts and Supplies (8)	2,500	8,000	As arranged	As arranged	Us
Insurance (9)	1,500	7,000	As arranged	As arranged	Insurance Carrier
Travel and Living Expenses (Initial Certification) (10)	4,500	7,500	As arranged	As arranged	Transportation lines, Hotels and Restaurants
Wages for the Operating Principal and Manager (During Initial Certification)	5,000	10,000	As arranged	As arranged	Operating Principal and Manager
Employee Salaries (3 months)	10,000	35,000	As arranged	As arranged	Employees
iPhone 10/Computer Equipment (11)	2,000	4,000	As arranged	As arranged	Approved Suppliers
Krystal Klean Software (12)	500	875	ACH	See Note 12	Us
Permits, Licenses and Fees (13)	500	2,500	Lump sum	Before opening	Government Agencies
Professional Fees (14)	500	6,000	Lump sum	As incurred	Third Parties
Additional Funds (– 3 Months) (15)	25,000	50,000	As arranged	First 3 Months of Operations	Varies
Account Transfer Program/Company-Owned Business Purchase Program(16)	30,000	2,000,000	As arranged	As arranged	Us
TOTAL (17)	**$188,950 to $2,435,375**				

Notes

(1) General. Amounts that you pay to us are not refundable unless otherwise noted. Amounts paid to a third party may or may not be refundable, depending on the terms offered by the third party. We may, at our option, finance a portion of your initial investment. We may also provide you with a working capital loan if you purchase a company-owned Business

under the Company-Owned Business Purchase Program. See **Item 10** for more information.

(2) Initial Franchise Fee. The amount calculated is the total amount, except for any applicable sales tax, which is payable by you (sales tax is computed in accordance with national, state and local law as required). A portion of the Initial Franchise Fee is refundable as described in **Item 5**. If you sign a Development Agreement, you must pay us a non-refundable development fee equal to 50% of the Initial Franchise Fee required for each additional Franchise (after the first Franchise) scheduled to be established under the Development Agreement.

(3) Site Evaluation Fee. Only applies if you have a Franchise Location and we determine it is necessary to perform an on-site site evaluation for your Franchise Location. We may charge an evaluation fee of $1,500, plus our costs and expenses, which you must pay us prior to our performance of the on-site evaluation. For this estimate, we have estimated our costs and expenses at $1,000, for a total of $2,500 per site visit.

(4) Lease. We may require that you have a Franchise Location prior to or after opening your Franchise. We will make our determination on whether you must have a Franchise Location depending upon factors such as the size and demographics of your Territory, the success of your Franchise in your Territory, the number and needs of your customers and changes in the brand and the brand's marketing and service/product offerings. In addition, a physical location may also be necessary due to federal, state, and local licensing laws, codes and regulations. See **Item 1** under "Special Industry Regulation" for further information. If you obtain a Franchise Location, if you do not already own property that is suitable for the operation of the Franchise, you may have to purchase or lease land and a building for the Franchise. The rental cost of commercial property varies considerably depending upon numerous factors, including the location and condition of the property, size, as well as economic factors affecting the local market for commercial property. We estimate that a typical size for a Franchise Location will range from 300 to 6,000 square feet, and that monthly rent for leased space will range from $500 to $5,000 per month. Security deposits should range from one to two months' rent. In our experience, the rental market may allow for some rent-free period. The costs to purchase land and construct your site will vary considerably from location to location, and, therefore, we cannot estimate these costs.

(5) Signage. You are required to obtain approved signage if you have a Franchise Location.

(6) Utilities. You will be required to pay deposits before the installation or start of service of telephone, gas, electric and other utilities. These amounts will vary depending upon your credit and your suppliers. These amounts may be less if you will not have a Franchise Location.

(7) Chassis and Krystal Klean Proprietary Wash Box and Installation. These two estimates together include one fully equipped Vehicle, which consists of the Krystal Klean proprietary wash box to be installed by us on an approved chassis truck bed. The chassis truck bed may be purchased from any supplier if it meets our specifications. We may also offer you chassis truck beds for purchase, although we are not obligated to do so. In general, a Franchise will initially require one Vehicle. However, you must ensure that you have an adequate number of Vehicles sufficient to meet customer demand in your Territory.

(8) Initial Chemicals, Parts and Supplies. The estimate represents a three-month supply of chemicals, parts and supplies.

(9) Insurance. You must obtain insurance coverage with the required limits as described in the Franchise Agreement. The estimate represents the approximate quarterly premium for insurance for the first quarter. Your costs will vary based on risks associated with your business and your location. The cost of Worker's Compensation insurance will vary based upon an assigned percentage of your total payroll dollars.

(10) Initial Certification Program. This estimate includes transportation, meals and lodging incurred by your Operating Principal and the Manager (two people total) during the initial certification program. The amount spent will depend on the distance these individuals must travel and the type of accommodation you choose. In addition, you are responsible for compensating any of your owners or employees who attend the initial certification program.

(11) iPhone/Computer Equipment. This includes the cost of one computer and one iPhone 10. You may also use a more recent version of the iPhone.

(12) Software License Fees. This estimate includes the annual fee and three months of support and access for the Krystal Klean software. You are required to enter into a Software License Agreement with us when you sign the Franchise Agreement. Under the Software License Agreement, you will pay us a license fee (currently $125 per month per location) and an additional access and support fee, which is currently $125 per month for the basic device package per device. For additional devices, monthly support and access fee pricing varies based on the type of device and the total number of devices. These fees do not include the cost of the device, which is currently an iPhone 10 (or a more recent version), or the service charges by the telecommunications provider.

(13) Permits, Licenses and Fees. Local, municipal, county and state regulations vary depending on what licenses and permits are required by you to operate a Franchise. For example, you may need city and county business and occupational licenses. You may be required to have a license in connection with wash water disposal, and if so, we may require evidence that you have such license prior to opening. Such fees are paid to governmental authorities, as incurred, before beginning business.

(14) Professional Fees. Estimated professional fees include fees for legal, accounting, architectural, engineering, time and project management consulting and other professional and consulting services you will need to assist you in matters relating to the development and operation of your Franchise.

(15) Additional Funds/Working Capital. New businesses often generate a negative cash flow. The estimated amounts in the chart include any other required expenses you will incur before operations begin and during the initial 3-month period of operations, such as payroll, additional supplies and inventory and other operating expenses in excess of income generated by the business. It does not include any salary or compensation for you. In formulating the amount required for additional funds, we relied on the following factors, basis, and experience: the development of Krystal Klean businesses by us and our predecessor in Jacksonville, Florida and our general knowledge of the industry.

(16) Account Transfer Program/Company-Owned Business Purchase Program. The purchase price for Krystal Klean customer accounts under the Account Transfer Program ranges from $30,000 to $500,000. The purchase price for a Krystal Klean company-owned business under the Company-Owned Business Purchase Program ranges from $300,000 to $2,000,000. If you do not purchase a Franchise under either of these programs, you will not incur these costs.

(17) Total. The amount given in the first chart above represents our best estimate of your total investment for one Franchise that is not purchased under the Account Transfer Program or the Company-Owned Business Purchase Program. The amount given in the second chart above represents our best estimate for one Franchise that is purchased under the Account Transfer Program or the Company-Owned Business Purchase Program.

YOUR ESTIMATED INITIAL INVESTMENT (DEVELOPMENT AGREEMENT)

Type of Expenditure	**Amount (low)**	**Amount (high)**	**Method of Payment**	**When Due**	**To Whom Payment Is To Be Made**
Total Initial Investment for First Franchise (1)	$158,950	$435,375	Varies (see above chart)	Varies (see above chart)	Varies (see above chart)
Development Fees	$5,000	$300,000	Check or wire	Upon signing	Us
TOTAL (3)	**$163,950 to $735,375**				

(1) Total Initial Investment. This information corresponds to the first chart above; this chart includes information for the development of two to five Franchises under a Development Agreement. You must agree to develop a minimum of two Franchises under a Development Agreement.

(2) Development Fee. If you sign a Development Agreement, you must pay us a non-refundable development fee equal to 50% of the Initial Franchise Fee required for each additional Franchise (after the first Franchise) scheduled to be established under the Development Agreement. The Initial Franchise Fee ranges from $10,000 to $150,000 per Franchise. The low end of the Development Fee assumes you will develop two Franchises at an initial franchise fee of $10,000 per Franchise. The high end of the Development Fee assumes that you will develop five Franchises at an Initial Franchise Fee of $150,000 per Franchise. The Development Fee must be paid upon signing the Development Agreement; however, this amount is credited towards the Initial Franchise Fee for each Franchise.

(3) Total. The amounts disclosed in the above table represent the total investment for establishing your first Franchise under a Development Agreement, along with the development fees for two to five Franchises.

The amounts shown are estimates only and may vary for many reasons including the size and location of your Franchise, the capabilities of your management team, and your business experience and acumen. For planning purposes, please note that most costs and expenses listed in this **Item 7** are not within our control, and are affected by general economic conditions and, therefore, may vary. These figures are based upon estimated costs in the Southeastern part of the United States. **Estimated initial investment costs may be substantially higher in certain states and locations, including New York, California, Nevada and Hawaii**. You should review these estimates carefully with a business advisor or accountant before making any decision to buy a Franchise. Except as described in **Item 10**, we do not finance any part of the initial investment.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

General

To ensure that the highest degree of quality and service is maintained, you must operate the Franchise in strict conformity with the methods, standards, and specifications we may periodically prescribe in the Manuals or otherwise in writing. At all times during the term of the Franchise Agreement, you must:

- offer for sale only those products and services for which we have given our written approval;
- sell or offer for sale all of the products and services that we require;
- offer and sell products and services in accordance with any minimum, maximum, and/or specific prices that we may determine from time to time (except to the extent that the determination of prices is limited or prohibited by applicable law);
- not deviate from our standards and specifications, unless you have received our prior written consent; and
- stop selling and offering for sale any products or services that we have later disapproved.

We estimate that approximately 90% to 100% of your expenditures for leases and purchases in establishing your Franchise and approximately 90% to 100% for leases and purchases on an ongoing basis will be for products and services which are subject to sourcing restrictions (that is, for which suppliers must be approved by us, or which must meet our standards or specifications).

We do not provide or withhold material benefits to you (such as renewal rights or the right to open additional businesses) based on whether you purchase through the sources we designate or approve. However, purchases of unapproved products or from unapproved vendors in violation of the Franchise Agreement will entitle us, among other things, to terminate your Franchise Agreement.

Specifications and Approved Supplies

We require that all services, products, supplies, equipment, materials, and other products and services that you will use or offer for sale at the Franchise: (a) meet the specifications that we establish from time to time; (b) be purchased only from suppliers (including manufacturers,

distributors, and other sources) that meet our specifications in the Manuals and/or that we have approved in writing; and (c) be purchased from a single source (which may be us or our affiliates).

We will provide you with a list ("**Approved Suppliers List**") of approved manufacturers, suppliers and distributors authorized for the Franchise ("**Approved Suppliers**") and a list (**"Approved Supplies List"**) of approved inventory, products, fixtures, furniture, equipment, signs, merchandise, supplies and other items or services necessary to operate the Franchise.

Any item used in the Franchise which is not specifically required to be purchased in accordance with the Approved Suppliers List or the Approved Supplies List must conform to our established standards and specifications. Our specifications and standards for purchasing are in the Manuals, which we may modify periodically.

Specific Obligations:

The following are our current specific obligations for purchases and leases of products and services:

1. ***Advertising***

   You may only use advertising that has been approved by us. You must participate in all promotional programs and comply with all of our requirements (or those of any third-party service provider designated by us to carry out such programs), including, without limitation, payment of any fees, purchase and use of additional equipment and services, which may include, without limitation, software, interface connection, and electronic funds transfer.

   See **Item 11** for more information regarding advertising.

2. ***Real Estate***

   If you obtain a Franchise Location, you must lease, sublease, or acquire a location that meets our specifications, or is otherwise approved as a location for a Franchise. Our approval of any lease is conditioned upon inclusion in the lease of the "Lease Rider," attached to the Franchise Agreement.

3. ***Insurance***

   Under the Franchise Agreement, you must obtain and maintain the insurance coverages and policies that we prescribe in the Manuals.

   We currently require, at a minimum, the following:

   (i) Comprehensive general liability insurance, written on an occurrence basis, extended to include contractual liability, products and completed operations, and personal and advertising injury, with a combined bodily injury and property damage limit of not less than $1,000,000 per occurrence;

   (ii) If any vehicles are used for business purposes, business automobile liability insurance, including a combined single bodily injury and property damage

coverage for all owned, non-owned, and hired vehicles, with limits of liability not less than $1,000,000 per occurrence for both bodily injury and property damage;

(iii) Statutory workers' compensation insurance and employer's liability insurance for a minimum limit of at least $1,000,000, as well as such other disability benefits type insurance as may be required by statute or rule of the state in which the Franchise is located;

(iv) (iv) Commercial umbrella liability insurance with limits which bring the total of all primary underlying coverages to not less than $2,000,000 total limit of liability;

(v) Property insurance providing coverage for direct physical loss or damage to real and personal property for all risk perils, including the perils of flood and earthquake; and

(vi) Any other insurance coverage that is required by federal, state, or municipal law.

Each insurance policy must be issued by an issuer acceptable to us, who must have a rating of at least "A-7" in the most recent Key Rating Guide published by the A.M. Best Company (or another rating that we reasonably designate if A.M. Best Company no longer publishes the Key Rating Guide), and must be licensed to do business in the state in which the Franchise is located.

4. ***Technology***

We specify or require that certain brands, types, makes, and/or models of communications, computer systems, and hardware be used by, between, or among the Franchises, including without limitation: (a) back office and point of sale systems, data, audio, video, and phone, voice storage, retrieval, and transmission systems for use at the Franchise, between or among Krystal Klean franchisees, the company-owned outlets and us; (b) physical, electronic, and other security systems; (c) printers and other peripheral devices; (d) archival back-up systems; (e) communication systems (including without limitation email and phone systems); and (f) Internet access mode and speed (collectively, the "**Technology System**").

We also designate: (i) software programs that you must use ("**Required Software**"); (ii) updates, supplements, modifications, or enhancements to the Required Software; (iii) the tangible media upon which you must store data; (iv) the database file structure of the Technology System; and (v) additional Technology Systems that must be used.

Our current requirements for the Technology System and Required Software are described in **Item 11.**

5. ***Vehicles***

You must obtain that number of Vehicles that is sufficient to meet customer demand in your Territory. You may purchase chassis truck beds from any supplier; however, the chassis truck beds must meet our specifications, and each chassis truck bed must be approved by us prior to purchase.

You are required to enter into an Equipment Sales Agreement with us under which you will purchase the proprietary wash box and installation services for the approved chassis truck bed that you purchase.

We are currently the only approved supplier of the proprietary wash box and installation services. We are also a supplier of chassis truck beds, but we may not have one available that meets your needs and, therefore, you may need to purchase a chassis truck bed from a third party.

We may provide financing to you in connection with your purchase of a Vehicle, including the proprietary wash box and installation services. You are not required to use us for financing.

You must maintain all Vehicles in a high degree of repair and condition and make such repairs and replacements to the Vehicle (and no others without our permission) that are required for that purpose, including, without limitation, periodic repainting or replacement of equipment and parts.

6. ***Parts, Chemicals and Miscellaneous Supplies.***

You must purchase an inventory of specified replacement parts for the Vehicle and chemicals prior to commencing operations and additional replacement parts and chemicals as the need arises. We are currently the only approved supplier of these chemicals and replacement parts. We have not determined whether these chemicals comply with applicable laws in your Territory. You must investigate whether there are any laws or regulations which restrict or otherwise regulate the use and disposal of chemicals. The Franchise Agreement requires you to notify us in writing immediately if any approved or required chemical, product or supply is subject to laws in your Territory. You must also purchase certain miscellaneous supplies from us including gloves, uniforms and rubber boots.

As described above, we are currently the only approved supplier of the proprietary Krystal Klean software, the proprietary equipment and installation services, and the inventory of replacement parts, chemicals, gloves, uniforms and rubber boots.

Except as described above, as of the date of this Disclosure Document, neither we nor our affiliates are approved suppliers or distributors of any products or services, nor are we or our affiliate the exclusive supplier of any products or services.

7. ***Payment Processing and Collections.***

We process payments received from your customers and deduct Royalty Fees and any other amounts due and payable to us under the Franchise Agreement and under any other agreement or otherwise, as well as any bank, credit card or service charges. If we must incur additional fees, charges or out-of-pocket costs of any kind for processing payments on behalf of you due to your customer's requirements, these amounts will be deducted from payments received from your customers, along with a reasonable administrative fee for additional time spent handling a customer's bill processing requirements.

Additionally, if your customer fails to make payment in a timely manner, we will send a letter demanding payment within 90 days after the due date of the payment. Except for this letter, we are under no obligation to engage attorneys, commence litigation, or take any other action to collect and enforce payment of your customer accounts. However, if we do engage in such additional collection efforts, you are required to pay us for our out-of-pocket costs (including, attorney's fees, court costs and all other costs and expenses) incurred to collect and enforce payments due under your customer accounts.

We have the right to provide invoicing services, and, if we do, we will generate and invoice your customers based on statements and other information provided by you.

8. **Bookkeeper.** If you obtain financing from us, we may require that you engage a bookkeeper or accountant specified by us, at your cost, who will provide reports to us regarding your financial position.

Strategic Alliances and Preferred Vendor Programs

We may establish strategic alliances or preferred vendor programs with suppliers that are willing to supply some products or services to some or all Franchises in our System. If we do establish those types of alliances or programs, we may limit the number of approved suppliers with whom you may deal, we may designate sources that you must use for some or all products and services, and we may refuse to approve proposals from franchisees to add new suppliers if we believe that refusal would be in the best interests of the System or the network of Franchises.

Alternative Suppliers

You may not buy any inventory, products, fixtures, furniture, equipment, signs, merchandise, supplies and other items or services necessary to operate the Franchise for which we have identified an Approved Supplier from any supplier that we have not approved in writing, and you must stop buying from any supplier who we approve, but later disapprove. We have the right to designate only one manufacturer, distributor, reseller and/or vendor for any particular item or service.

When considering whether to approve a proposed supplier, we will consider (among others) the following factors: whether the supplier can demonstrate, to our reasonable satisfaction, the ability to meet our then current standards and specifications; whether the supplier has adequate quality controls and capacity to supply and deliver the System's needs promptly and reliably; proximity to our franchisees to ensure timely deliveries; and whether the supplier's approval would enable the System, in our sole opinion, to take advantage of marketplace efficiencies.

If you want to buy any item that does not meet our specifications or if you want to make a purchase of any item or service for which we have identified an Approved Supplier from an unapproved supplier, you first must submit to us a written request asking for our approval to do so. You may not purchase any unapproved item or make purchases from any proposed alternate supplier until we have reviewed and approved in writing the proposed item and/or new supplier. Among other things, we will have the right to require that our representatives be permitted to inspect the proposed supplier's facilities, and that samples from that supplier be delivered either

to us or to an independent laboratory that we designate for testing. You are required to reimburse us $3,000 for such testing and evaluation.

We will provide you with approval or disapproval of the supplier or item within 30 days from our receipt of your request and all requested samples and information. If you do not receive approval within that period, your request is deemed disapproved. We also may require that the proposed new supplier comply with certain other requirements that we may deem appropriate, including, for example, payment of reasonable continuing inspection/evaluation fees and administrative costs.

Criteria for suppliers will be made available to you upon request. We reserve the right, at our option, to periodically re-inspect the facilities and products of any approved supplier and to revoke our approval if the item or supplier does not continue to meet any of our then current criteria.

Purchasing Arrangements

There are no other purchasing arrangements or purchasing cooperatives in existence as of the date of this Disclosure Document.

Payments to Us Based on Franchisee Purchases

We may collect and retain certain manufacturing allowances, marketing allowances, rebates, credits, monies, payments and benefits offered to us or to our affiliates by manufacturers, suppliers and distributors based upon your purchases of products and other products and services. During the year ending December 31, 2024, we did not collect any of the above.

Revenue Based on Franchisee Purchases

In the 2024 fiscal year, our revenue from all required purchases of products and services by franchisees was $0, which is 0% of our total revenue of $ 2,171,994 for fiscal year 2024.

Other than this amount, neither we nor our affiliates derived revenue from required purchases in the last fiscal year.

Suppliers in Which an Officer Owns an Interest.

None of our officers have an interest in any supplier from which our franchisees are required to make purchases.

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 the Disclosure Document.

	Obligation	Section In Agreements	Disclosure Document Item
a.	Site selection and acquisition/ lease	§ 5.1, 5.4 and 5.5 in Franchise Agreement	**Items 6** and **11**
b.	Pre-opening purchases/leases	§ 5.1-5.6, 5.9 and 5.11 in Franchise Agreement; §§ 1, 3 and 4 in Equipment Sales Agreement; §§ 1, 3 and 4 in Account Transfer Agreement; and §§ 1 and 3 in Software License Agreement	**Items 7** and **8**
c.	Site development and other pre-opening requirements	§§ 3.3 and 5.1 through 5.6 in Franchise Agreement; § 1 in Development Agreement	**Items 6, 7** and **11**
d.	Initial and ongoing training	§§ 3.2, 3.4, 5.5.3, 5.6, and 12.4.8 in Franchise Agreement	**Items 6** and **11**
e.	Opening	§ 5.4 in Franchise Agreement	**Item 11**
f.	Fees	§§ 2.2.8, 3.1, 3.2, 3.4.2, 3.8, 3.9, 4, 5.1.3.5, 5.6, 5.11, 5.12, 5.15, 5.21, 5.22, 10.2, 10.3, 10.4, 12.4.9 in Franchise Agreement; § 1.1.1, 1.5, 2.1, and Attachment 1 to the Development Agreement; §§ 3 and 4 in Equipment Sales Agreement; § 2 in Account Transfer Agreement; and § 3 in Software License Agreement Section A of the Support Services Agreement	**Items 5, 6, 7, 8, 11** and **17**
g.	Compliance with standards and policies/Operating Manual	§§ 1.3, 3.5, 5, 7, and 9 in Franchise Agreement; § 4 in Development Agreement; §§ 5 and 7 in Account Transfer Agreement	**Items 1, 8, 15** and **16**
h.	Trademarks and proprietary information	§§ 1.1 and 6 in Franchise Agreement; §§ 1.2, 1.3, 1.6 and 1.7 in Development Agreement	**Items 13** and **14**

	Obligation	Section In Agreements	Disclosure Document Item
i.	Restrictions on products/services offered	§§ 1.3, 5.2, 5.3, 5.8, 5.9, 5.10 and 5.11 in Franchise Agreement	**Items 8** and **16**
j.	Warranty and customer service requirements	§ 5.3, 5.8, and 5.9 in Franchise Agreement	Not applicable
k.	Territorial development and sales quotas	§§ 1.1 and 5.21 in Franchise Agreement; § 1 in Development Agreement	**Item 12**
l.	Ongoing product/service purchases	§ 5 in Franchise Agreement	**Items 8** and **11**
m.	Maintenance, appearance and remodeling requirements	§§ 2.2.3, 5, and 12.4.5 in Franchise Agreement	**Items 6** and **17**
n.	Insurance	§ 11 in Franchise Agreement	**Items 6** and **7**
o.	Advertising	§§ 1.4, 5.14, and 10 in Franchise Agreement	**Items 6** and **11**
p.	Indemnification	§ 5.6, 5.17, 17.4 and Attachment 2 in Franchise Agreement; § 4.2, 10.4 and Attachment 2 in Development Agreement; § 8 in Equipment Sales Agreement; § 8 in Account Transfer Agreement; and § 10 Software License Agreement Section C.5 of the Support Services Agreement	**Item 6**
q.	Owner's participation/management/ staffing	§§ 5.5, 5.6, 5.19 and 15.1 in Franchise Agreement	**Item 15**
r.	Records and reports	§§ 4.2, 5.3, and 9 in Franchise Agreement	**Item 11**
s.	Inspections and audits	§ 5.11, 9 in Franchise Agreement	**Items 6, 11** and **13**
t.	Transfer	§ 12 in Franchise Agreement; § 6 in Development Agreement	**Items 6** and **17**

	Obligation	Section In Agreements	Disclosure Document Item
u.	Renewal	§ 2.2 in Franchise Agreement	**Item 17**
v.	Post-termination obligations	§ 14 in Franchise Agreement; § 5.4 in Development Agreement	**Item 17**
w.	Non-competition covenants	§ 15 in Franchise Agreement; § 7 in Development Agreement	**Item 17**
x.	Dispute resolution	§ 23 in Franchise Agreement; § 14 in Development Agreement; § 13 in Equipment Sales Agreement; § 13 in Account Transfer Agreement; and § 13 in Software License Agreement	**Item 17**
y.	Guarantee	Attachment 2 in Franchise Agreement and Attachment 2 in the Development Agreement	**Item 15**

ITEM 10
FINANCING

Under the Secured Promissory Note, you may be offered financing in the amount of up to 100% of the purchase price for (a) the initial franchise fee; (b) the Krystal Klean proprietary wash box and installation services, chassis truck beds, and other equipment purchased under the Equipment Sales Agreement; and (c) accounts and other assets purchased under the Account Transfer Program or the Company-Owned Business Purchase Program. Interest is at a rate of 10% annual interest and is compounded weekly. Principal and interest is required to be repaid by weekly payments equal to a certain percentage of your weekly Gross Revenue or equal weekly payments in a specified amount as specified in the Secured Promissory Note. The term of the financing is generally 36 to 120 months. The form of Secured Promissory Note is attached as **Exhibit I.**

Under the Revolving Credit Agreement, you may also be offered financing in the amount of up to $50,000 for working capital if you purchase a company-owned business under the Company-Owned Business Purchase Program. Interest under the Revolving Credit Agreement is at a rate of 10% for working capital loans and is compounded weekly. You must pay a minimum amount of $100 per week against the balance owed, and all principal and interest must be repaid in 36 months. The form of Revolving Credit Agreement is attached to the Company-Owned Purchase Agreement.

You are not required to use us for financing. However, you must participate in the Administrative Support Program (Tier 1), as described in the Support Services Agreement to qualify for financing and must maintain support services in the Administrative Support Program (Tier 1) as long as you owe amounts to us under the Secured Promissory Note or the Revolving Credit Agreement.

The Secured Promissory Note and the Revolving Credit Agreement are referred to herein as the **"Debt Instruments".**

You may repay amounts owed under the Debt Instruments early without penalty.

Your obligations under the Debt Instruments are secured by a security interest in all of your assets.

Under the Secured Promissory Note, you must subordinate any shareholder/member loan or related party loan and other debt to amounts owed the Secured Promissory Note. In addition, no loans by your owners may be taken or repaid until the loan is paid in full. We may also require that you not make payments to its affiliates or any related party more than a specified amount until your revenues reach a threshold that is specified in the Secured Promissory Note.

Under the Debt Instruments, we may require that you engage a bookkeeper or accountant specified by us, at your cost, who will provide reports to us regarding your financial position.

Under the Revolving Credit Agreement, you may not make payments or distributions to yourself more than your current salary plus specified distributions until all amounts owed are paid in full.

A default under the Franchise Agreement is a default under the Debt Instruments. A complete description of defaults under the Secured Promissory Note is contained in Section 7 of the Secured Promissory Note. A complete description of defaults under the Revolving Credit Agreement is contained in Section 5 of the Revolving Credit Agreement. A failure to make any payment under the Debt Instruments when due or other default is also a default under the Franchise Agreement for which we may terminate the Franchise Agreement.

Upon default of the Debt Instruments, all amounts owed are due and payable immediately, at our option, and the default interest rate equal to the maximum amount allowed under applicable laws will apply. We may take possession of the secured assets if you default.

Under the Debt Instruments, you waive the following defenses and legal rights:

(a) disputes under the Secured Promissory Note are resolved by arbitration in Passaic County, New Jersey although we reserve the right to make claims relating to unpaid amounts in any court of competent jurisdiction.

(b) you and your owners must waive trial by jury in any action, proceeding, or counterclaim; and

(c) you and your owners agree that no claims may be litigated on a class-wide basis or joined with a third party.

Except as described above, the Debt Instruments do not require that you waive any defenses or other legal rights.

All of your owners must personally sign the Debt Instruments, making them personally liable for all amounts owed.

The Debt Instruments permit us to assign either of them, but it is not our practice or current intention to sell, assign, or discount all or any part of any Debt Instrument to a third party. We may assign and transfer the Debt Instruments to a successor lender.

Other than as described in this disclosure document, neither we nor our affiliates offer direct or indirect financing to you or guarantees any of your notes, leases or obligations. Neither we nor any affiliate receives any consideration for placing financing with any third-party lender.

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

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

Pre-Opening Obligations

We are required by the Franchise Agreement to provide certain assistance and services to you. Before you open your Franchise:

1. If you have a Franchise Location, we will provide site selection counseling and assistance as we deem advisable, although you must reimburse us for our reasonable costs and the site evaluation fee. We may also perform an on-site evaluation to confirm that its construction and specifications meet the quality standards of the System. (Franchise Agreement, Section 3.1 and 3.3).

2. We will provide our initial certification program for up to two individuals (including your Operating Principal and your Manager) at our headquarters or at a location we designate. (Franchise Agreement, Section 3.2)

3. If the Franchise is your first Franchise, at our expense, we will have one or more representative(s) to be present for pre- and post-opening assistance for at least five days (which may not be consecutive days). During this assistance, our representatives will assist you in establishing and standardizing procedures and techniques for the operation of the Franchise and training Franchise personnel. (Franchise Agreement, Section 3.4.1)

4. If you request additional assistance to facilitate the opening of the Franchise, and we deem it necessary, feasible and appropriate, we will provide additional opening assistance. You must reimburse us for the expenses we incur in providing such assistance, and we have the right to charge a service fee. (Franchise Agreement, Section 3.4.2)

5. We will lend you, for the term of the Franchise Agreement, one copy of the Manuals. (Franchise Agreement, Section 3.5) The Table of Contents of the Manuals as of the date of this Disclosure Document is attached to this Disclosure Document as **Exhibit K** and is 217 pages total.

6. We will provide you with names of suppliers for fixtures, equipment, signs, opening inventory, or supplies and specifications for these items. We provide an opening inventory consisting of replacement parts, chemicals and other supplies to you directly. We also provide our proprietary wash box to you directly and we provide installation services for our proprietary wash box on your Vehicle. You must pay us for the opening inventory, proprietary wash box and installation services.

We are not required by the Franchise Agreement to furnish any other service or assistance to you before the opening of your Franchise. We are not required to furnish any services or assistance to you before the opening of a Franchise under the Development Agreement.

Continuing Obligations

We are required by the Franchise Agreement to provide certain assistance and service to you. During the operation of your Franchise:

1. We will make available additional or refresher certification programs, as we deem appropriate. (Franchise Agreement, Sections 3.2)

2. We will review and approve or disapprove all promotional materials and advertising that you propose to use. (Franchise Agreement, Section 3.6)

3. We will administer the Call Center & Brand Fund as stated in the Franchise Agreement and as described below in this **Item 11**. (Franchise Agreement, Section 3.7 and Section 10.2)

4. We will process payments received from your customers and deduct and pay ourselves Royalty Fees and other amounts due to us. The balance will be paid to you within 10 business days after the date of payment by the customer (assuming you don't participate in the Advance Assurance Program). If a customer fails to make payment in a timely manner, we will send a letter demanding payment within 90 days after the due date of the payment. We have the right to provide invoicing services, and, if we do, we will generate and invoice your customers based on statements and other information provided by you. (Franchise Agreement, Section 3.8)

5. We will provide periodic assistance in the marketing, management, and operation of the Franchise, at the times and in the manner that we determine. (Franchise Agreement, Section 3.10)

6. We may provide minimum, maximum, and/or specific prices for products and services sold at the Franchise, except to the extent determination of prices by us in limited or prohibited by applicable law (Franchise Agreement, Section 5.8.11).

Neither the Franchise Agreement, nor any other agreement, requires us to provide any other assistance or services for you during the operation of the Franchise. We are not required to furnish any services or assistance to you after the opening of a Franchise under the Development Agreement.

If you elect to enroll in any Support Services under the Support Services Agreement, we will provide you with the following assistance and services.

1. If you enroll in the Administrative Support Program (Tier 1):

(a) Payroll Services. We will log employee time records into the payroll software, perform payroll journal entry and accrual into QuickBooks online, and perform calculation and submission of manager commissions.

(b) Accounts Payable. We enter invoices and categorized invoices, as appropriate, in QuickBooks, bill auto-pay management and payment arrangements with vendors, and prepare and file Form 1099s.

(c) Accounts Receivable. Invoices are marked paid upon receipt of weekly disbursement report and accounts receivable report is pulled and provided weekly.

(d) Financial Reporting. Generation and review of monthly profit and loss statements and balance sheet; ongoing support and assistance through accounting standardization.

2. If you enroll in Sales Tax Services (Tier 2), we will assist you with filing for your state tax ID and will assist with remitting your state sales taxes.

3. If you enroll in Fuel Card Services (Tier 2), we will provide fuel cards to you and any employee that you designate.

4. If you enroll in Business Card Services (Tier 2), we will provide business cards to you and any employee that you designate.

5. If you enroll in In-Market Sales Training and Support Services (Tier 2), we will assign an in-market Sales Specialist to your location for the amount of time that you designate. The Sales Specialist will provide you with marketing sales training on live sales routes.

Site Evaluation

If, prior to opening, we require you to have a Franchise Location or you deem it necessary or desirable to have a Franchise Location, you must, at your expense, obtain a suitable site for the Franchise Location in the Territory and commence operating at such Franchise Location within six months after the Franchise Agreement is signed. If, after opening, we require you to have a Franchise Location, you must, at your expense, obtain a suitable site for the Franchise Location in the Territory and commence operating at such Franchise Location within six months after we notify you of the requirement. (Franchise Agreement, Sections 5.1 and 5.4)

See **Item 1** under “Special Industry Regulation” for legal requirements that might dictate that you obtain a Franchise Location and **Item 7** for further information regarding factors that we consider when determining if you must have a Franchise Location and associated cost estimates.

If you will not have a Franchise Location, you must commence operations within four months after signing the Franchise Agreement. (Franchise Agreement, Section 5.4)

If you do not comply with these requirements, you will be in default and we may terminate the Franchise Agreement. (Franchise Agreement, Section 13.2.3)

If you have a Franchise Location, you must lease, sublease, or purchase the premises for the Franchise, subject to our approval. (Franchise Agreement, Section 5.1)

We require that you submit to us, in the form specified by us, such site approval forms and data that we may specify, which may include a copy of the site plan, financial information, and such other information or materials as we may reasonably require, together with an option contract, letter of intent or other evidence satisfactory to us which confirms your favorable prospects for obtaining any proposed site. We have 15 days within which to evaluate a proposed site. A site will be deemed disapproved if you have not received our written approval of the site at the end of such period. (Franchise Agreement, Section 5.1.1)

When considering a site for a Franchise, we consider factors such as population-based trends and area demographics, traffic patterns and counts, site visibility and accessibility, available parking and the general, overall suitability of facility and surrounding area, and potential lease terms. We may make our site-selection criteria available to you upon request.

Area Development Agreement

Under the Development Agreement, we will mutually agree upon the Development Areas, which will be set forth in the Development Agreement that we and you sign. Each Franchise Agreement under a Development Agreement will have a Territory that is based on the corresponding Development Area listed on the Development Agreement and which has been agreed upon prior to the signing of the Development Agreement. The Development Areas are specified geographic areas where you are granted the right to develop additional Franchises, and our then-current standards for sites and territory will apply.

Typical Length of Time Before Operation

We estimate that the typical length of time between the signing of the Franchise Agreement, or the first payment of any consideration for the Franchise, and the opening of a Franchise is three to six months. Factors affecting this length of time include making financing arrangements, obtaining permits and licenses, whether you will have a Franchise Location, scheduling your attendance at our initial certification program, and the delivery and installation of equipment and hiring staff.

If you sign a Development Agreement, time frames and time limits described in the Development Schedule, and not those in the Franchise Agreement, will apply to the opening of your Franchise under the Development Agreement.

Certification Programs

Initial Certification Program

We will provide the initial certification program (instruction and required materials only) for up to two individuals at no charge. We have the right to charge a fee for additional individuals (beyond two) who attend the initial certification program. (Franchise Agreement, Section 3.2)

Travel, living and salaries and other benefits for your attendees are exclusively at your

expense. (Franchise Agreement, Section 5.6)

Before your Franchise opens, the Manager and the Operating Principal must attend and successfully complete, to our satisfaction, the initial certification program. We reserve the exclusive right to determine whether the Manager and Operating Principal have satisfactorily completed the initial certification program. (Franchise Agreement, Section 5.5)

Our initial certification program is described below:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job-Training	Location of Training
Orientation	.5	0	Currently, Orlanda, Florida
Licensing and Permitting	.5	0	Currently, Orlando, Florida
Tax Requirements	.5	0	Currently, Orlando, Florida
Insurance Requirements	.5	0	Currently, Orlando, Florida
Employee Search and Hiring	1.5	0	Currently, Orlando, Florida
Bookkeeping and Recordkeeping	2.5	0	Currently, Orlando, Florida
Accounting and Reporting	2.5	0	Currently, Orlando, Florida
Sales, Marketing and Development	2.5	0	Currently, Orlando, Florida
Operations Management	4	0	Currently, Orlando, Florida
Environmental Management	1	0	Currently, Orlando, Florida
Waste Generation and Disposal	1	0	Currently, Orlando, Florida
Waste Documentation and Reporting	1	0	Currently, Orlando, Florida
Logistics and Dispatching	1.5	0	Currently, Orlando, Florida
Vehicle and Equipment Operation	2.5	0	Currently, Orlando, Florida

Subject	Hours of Classroom Training	Hours of On-the-Job-Training	Location of Training
Vehicle and Equipment Maintenance	2.5	0	Currently, Orlando, Florida
Cost Controls	1.5	0	Currently, Orlando, Florida
Quality and Performance Standards	2.5	0	Currently, Orlando, Florida
Safety Requirements	1.5	0	Currently, Orlando, Florida
DOT Requirements	1.5	0	Currently, Orlando, Florida
Training Requirements	2	0	Currently, Orlando, Florida
Security Requirements	1.5	0	Currently, Orlando, Florida
Customer Relations and Communications	2	0	Currently, Orlando, Florida
Problem Identification and Resolution	2	0	Currently, Orlando, Florida
Intermediate and Final Tests and Evaluation	1.5	0	Currently, Orlando, Florida
Segment – Safety			
Module - Driving	0	.5	Your Territory
Module - PPE	0	.5	Your Territory
Module - Jobsite Safety	0	.5	Your Territory
Module - Equipment Safety	0	.5	Your Territory
Module - Chemicals Safety	0	.5	Your Territory
Module - In Case of Injury	0	.5	Your Territory
Segment - The Krystal Klean Rig			
Module - Fueling	0	.25	Your Territory
Module - Starting	0	.25	Your Territory
Module - Checking Oil	0	.25	Your Territory

Subject	Hours of Classroom Training	Hours of On-the-Job-Training	Location of Training
Module - Checking Transmission Fluid	0	.25	Your Territory
Module - Checking Power Steering Fluid	0	.25	Your Territory
Module - Checking Brake Fluid	0	.25	Your Territory
Module - Checking Tire Pressure	0	.5	Your Territory
Module - Troubleshooting	0	.5	Your Territory
Segment – Equipment Use			
Module - Water Tanks – Hydrant Fill	0	.5	Your Territory
Module - Water Tanks – Hose Fill	0	.25	Your Territory
Module - Hoses & Hose Reels	0	.25	Your Territory
Module - Pressure Washers	0	.5	Your Territory
Module - Spray Nozzle Tips	0	.25	Your Territory
Module - Generator	0	.5	Your Territory
Module - Water Reclamation	0	1	Your Territory
Segment – Equipment Maintenance and Troubleshooting			
Module - Pressure Washer Oil Change	0	.5	Your Territory
Module - Pressure Washer Troubleshoot	0	.5	Your Territory
Module - Pump Fluid Oil Change	0	.5	Your Territory
Module - Generator Oil Change	0	.5	Your Territory

Subject	Hours of Classroom Training	Hours of On-the-Job-Training	Location of Training
Module - Generator Troubleshooting	0	.5	Your Territory
Module - Water Reclaim Cleaning	0	.5	Your Territory
Module - Water Reclaim Troubleshooting	0	.5	Your Territory
Module - Hose Change	0	.5	Your Territory
Module - Filing Hose Ends	0	.25	Your Territory
Module - Fitting Changes	0	.5	Your Territory
Module - O-Ring Changes	0	.25	Your Territory
Module - Unloader Valve Changing	0	.5	Your Territory
Module - Injector Changes	0	.5	Your Territory
Module - Injector Rebuild	0	.5	Your Territory
Segment – Soaps and Chemicals			
Module - Bleach			Your Territory
Mixing	0	.5	Your Territory
Using	0	.5	Your Territory
Module - White-Ox			Your Territory
Mixing	0	.5	Your Territory
Using	0	1	Your Territory
Module - Degreaser			Your Territory
Mixing	0	.5	Your Territory
Other Uses	0	1	Your Territory

Subject	Hours of Classroom Training	Hours of On-the-Job-Training	Location of Training
Segment – Washing and Servicing			
Module - Window Washing			Your Territory
Standard Windows	0	.25	Your Territory
Tinted Windows	0	.25	Your Territory
New Installations	0	.25	Your Territory
Removable Frame	0	.25	
Module - Sequence	0	3	Your Territory
Where to Start On Building	0	.5	Your Territory
Roles	0	.25	Your Territory
Wand	0	3	Your Territory
Squeegee	0	3	Your Territory
Brush	0	3	Your Territory
Module - Standard Window Washing	0	1	Your Territory
Module - Tinted Window Washing	0	3	Your Territory
Module - Newly Manufactured Window Washing	0	2	Your Territory
Module - Removable Window Frames	0	3	Your Territory
Segment – Concrete Cleaning	0	2	Your Territory
TOTALS:	40.5	44	

We conduct the initial certification program on an as-needed basis at our headquarters and such other places as we may designate.

The initial certification program will be conducted by Darrell Gibbs. Darrell is our Director of Franchise Operations. His experience is described in Item 2. He has over 15 years of experience in our industry, and over 25 years of experience with us or our affiliates.

The instruction materials consist of the Manual and related written materials.

We may vary the length and content of the initial certification program based on the experience and skill level of the individual(s) attending the program.

Replacement Operating Principal/Manager and Additional or Refresher Training.

We require any replacement Operating Principal or replacement Manager to complete a prescribed certification program and may charge a fee. The current program fee is $1,895 if the program is conducted at our headquarters, and $2,895, plus our costs and expenses, if we provide the certification program at your Franchise. (Franchise Agreement, Section 5.5.1)

We also provide and require that your Operating Principal and Manager attend and successfully complete additional refresher certification programs or new certification programs to be conducted at such location as we may designate. All expenses incurred by your representatives in attending such program including, without limitation, travel costs, room and board expenses and salaries and benefits, are your responsibility. (Franchise Agreement, Section 5.5.2)

If you ask that we provide additional on-site instruction, and we are able to do so, then you will pay us our then-current per diem charges (currently, $400 per day) and out-of-pocket expenses. (Franchise Agreement, Section 5.5.3)

Advertising and Marketing

You may use your own advertising or marketing material only with our approval. To obtain our approval, you must submit any proposed advertising or marketing material at least 30 days prior to use. If we do not respond within such 30-day period, the material is deemed rejected. If you develop any advertising or marketing materials, we may use those materials for any purpose, without any payment to you. We have the right to establish and control all social media accounts and other digital marketing. You must ensure that all advertising or marketing materials that you use are clear, factual, ethical, and not misleading; complies with our brand standards; and complies with all laws.

We have the right to establish and control all digital marketing. You are not permitted to conduct digital marketing without our prior approval. To obtain our approval, you must submit a written request describing the proposed digital marketing. We have no obligation to approve your request. If we permit you to conduct digital marketing, you must comply with our standards, only use materials that we have approved, not use any of our marks except as expressly permitted, include only the links that we approve or require and immediately take all action needed to provide us with access to or to transfer ownership of digital marketing to us.

You must: (a) contribute monies to the Call Center & Brand Fund; and/or (b) contribute monies to a Market Cooperative (which is described below). We may periodically change the amounts that you are required to contribute or spend, but your Advertising Obligations (i.e., Call Center & Brand Fund Contributions and Market Cooperative Contributions) will not, collectively, exceed 8% of your Gross Revenue. (Franchise Agreement, Section 10.1.2)

We currently require that you contribute 4% of your Gross Revenue to the Call Center & Brand Fund. *We are currently waiving our right to require contributions to the Call Center & Brand*

Fund based on Gross Revenue earned from Kept Co. Service Program Accounts, although we may charge such amounts in the future.

We are not required to spend any amount on advertising in your Territory.

Call Center & Brand Fund

We have established a fund for System-wide advertising (the **"Call Center & Brand Fund"**). The Call Center & Brand Fund is maintained and administered by us or by our designee as follows:

1. We or a designee have the right to direct all advertising programs, as well as all aspects of the advertising program, including the concept, materials, and media used in the programs and the placement and allocation of the programs. The Call Center & Brand Fund is intended to maximize general public recognition, acceptance, and use of the System; and we and our designee are not obligated, in administering the Call Center & Brand Fund, to make expenditures for you that are equivalent or proportionate to your contribution, or to ensure that any particular franchisee benefits directly or pro rata from expenditures within their trade area, by the Call Center & Brand Fund. We are not required to spend any amount of the Call Center & Brand Fund in your trade area. (Franchise Agreement, Section 10.2.1)

2. The Call Center & Brand Fund, all contributions thereto, and any earnings thereon, shall be used to meet the cost of (a) operating and managing the Krystal Klean Call Center or other customer development activities; and (b) otherwise maintaining, administering, directing, conducting, creating and/or otherwise preparing advertising, marketing, public relations and/or promotional programs and materials, research and design relating to branding and implementation of re-branding programs and strategies, and any other activities which Franchisor believes will enhance the image of the System, including, without limitation, the costs of: preparing and/or conducting media advertising campaigns; marketing surveys and other public relations activities; employing advertising and/or public relations agencies; purchasing promotional items; developing new or modified trade dress and marks; point-of-purchase (POP) materials; design and photographs; purchasing media space or time (including all associated fees and expenses); administering regional and multi-regional marketing and advertising programs; market research; developing and implementing customer loyalty and incentive programs; the development and testing of new or substitute products or services; public relation events; charitable or non-profit events; developing, implementing and maintaining an electronic commerce website and/or related strategies; maintaining and developing one or more websites devoted to the System, the Marks and/or the "Krystal Klean" brand; providing promotional and other marketing materials and services to the franchises operated under the System; independent sales agent commissions; and the salaries of Franchisor's employees to the extent such employees provide services in conjunction with System's marketing activities. The Call Center & Brand Fund may also be used to provide rebates or reimbursements to franchisees for local expenditures on products, services, or improvements, approved in advance by us, which products, services, or improvements we will have the right to determine, that we believe will promote general public awareness and favorably support for the System. We will have the sole right to decide how the Call Center & Brand Fund creates, places, and pays for marketing. As noted above, we may allocate a reasonable amount of the Call Center & Brand Fund toward the cost of our website's maintenance and further development.

The website may have a section relating to our Franchise opportunity, and all advertising and promotional materials may reflect the availability of Franchises. Otherwise, we do not use

Call Center & Brand Fund monies for advertising that is principally a solicitation for the sale of Franchises and no portion of the Call Center & Brand Funds was expended on the solicitation of franchisees in our fiscal year 2023. (Franchise Agreement, Section 10.2.2)

3. You must contribute to the Call Center & Brand Fund in the manner we specify. All sums you pay to the Call Center & Brand Fund will be maintained in an account separate from our other monies. (Franchise Agreement, Section 10.2.3)

4. The Call Center & Brand Fund will not be used to defray our general operating expenses, provided, however, that we will have the right to charge the Call Center & Brand Fund for the reasonable administrative costs and overhead that we incur in activities reasonably related to the direction and implementation of the Call Center & Brand Fund and marketing programs for you and the System (for example, costs of personnel for creating and implementing, associated overhead, advertising, merchandising, promotional and marketing programs, and accounting services reasonably related to the operation and functions of the Call Center & Brand Fund). The Call Center & Brand Fund and its earnings will not otherwise inure to our direct benefit. We or our designee will maintain separate bookkeeping accounts for the Call Center & Brand Fund. (Franchise Agreement, Section 10.2.3)

5. The Call Center & Brand Fund is not a trust. We do not assume any fiduciary obligation to you or any other franchisee for maintaining, directing, or administering the Call Center & Brand Fund or for any other reason. An unaudited statement of the operations of the Call Center & Brand Fund as shown on the books of the Call Center & Brand Fund is prepared annually by us and will be made available to you on an annual basis, upon request. The Call Center & Brand Fund is not audited. (Franchise Agreement, Section 10.2.4)

6. Although the Call Center & Brand Fund is intended to be of perpetual duration, we maintain the right to terminate the Call Center & Brand Fund. The Call Center & Brand Fund will not be terminated, however, until all monies in the Call Center & Brand Fund have been spent for marketing or promotional purposes. (Franchise Agreement, Section 10.2.5)

We contribute to the Call Center & Brand Fund on the same basis as is required of our franchisees with respect to company-owned locations.

During our fiscal year ended December 31, 2024, we used the Call Center & Brand Fund contributions as follows:

Category	% Spent
Call Center Staff	63.3%
Online Marketing	36.7%
Total	**100%**

We contribute to the Call Center & Brand Fund on the same basis as is required of our franchisees with respect to company-owned locations.

Advertising Councils.

There are no advertising councils presently in place or anticipated in the immediate future, although we reserve the right to establish advertising councils.

Market Cooperatives

The purpose of a Market Cooperative is to conduct marketing campaigns for the Krystal Klean businesses located in a particular region. We currently have no Market Cooperatives. If a Market Cooperative covering your Territory is established, we may require that you join the new Market Cooperative within 30 days after it is established. You will not be required to be a member of more than one Market Cooperative. The following provisions will apply to each Market Cooperative:

1. Market Cooperatives are established, formed, and governed in the form and manner that we have approved in advance. Unless we specify otherwise, the activities carried on by each Market Cooperative will be decided by a majority vote of its members. Any company-owned locations in the region or area in which a Market Cooperative has been established will have the same voting rights as those Franchises owned by franchisees. Each Franchise owner or franchisee will be entitled to cast one vote for each Franchise owned. Any disputes arising among or between you, other members of the Market Cooperative, and/or the Market Cooperative, will be resolved according to the rules and procedures stated in the Market Cooperative's governing documents. (Franchise Agreement, Section 10.3.1)

2. Market Cooperatives are formed exclusively for the purpose of administering regional marketing programs and developing (subject to our approval) standardized promotional materials for use by the members in local advertising and promotion. (Franchise Agreement, Section 10.3.2)

3. Market Cooperatives may not use marketing, promotional plans, or materials without our prior written approval, as described below. (Franchise Agreement, Section 10.3.3)

4. You must submit your required contribution to the Market Cooperative at the same time as payments are required for Royalties and the Call Center & Brand Fund Contribution, together with the statements and reports that may be required by us or by the Market Cooperative, with our written approval. (Franchise Agreement, Section 10.3.4)

Each Market Cooperative will prepare an unaudited statement of contributions and expenditures of the Market Cooperative and make it available within 60 days after the end of the Market Cooperative's fiscal year end. A majority of the members may authorize an audit of their Market Cooperative's financial statements at the close of any accounting year. A copy of the report will be provided to each member.

If requested by us in writing, you must submit your payments and reports for the Market Cooperative directly to us, and we will distribute the money and reports to the Market Cooperative. If we incur administrative expenses in support of the Market Cooperative, these expenses may be paid to us from the funds of the Market Cooperative.

5. Although a Market Cooperative is intended to be of perpetual duration, we maintain the right to terminate any Market Cooperative. A Market Cooperative will not be terminated,

however, until all monies in that Market Cooperative have been expended for marketing or promotional purposes. (Franchise Agreement, Section 10.3.5)

As of the date of this Disclosure Document, we have not established any Market Cooperatives.

Websites and Other E-Commerce

You may not offer or promote or sell any products or services or make any use of the Marks, through the Internet, including the use of websites, domain names, uniform resource locators, keywords, linking, search engines (and search engine optimization techniques), banner ads, meta-tags, marketing, auction sites, e-commerce (as defined below) and co-branding arrangements without our prior written approval. (Franchise Agreement, Section 10.6)

We currently require that any franchisee Internet presence be through our website for the System. Each franchisee will have its location listed on our website. You must follow our intranet and Internet usage rules, policies and requirements. We retain the sole right to use the Marks on the Internet, including on websites, as domain names, directory addresses, search terms and meta-tags, and in connection with linking, marketing, co-branding and other arrangements.

Technology Systems

We have the right to require that you purchase and maintain a Technology System, including: (a) back office and point of sale systems, data, audio, video, and phone, voice storage, retrieval, and transmission systems for use at the Franchise, between or among Krystal Klean franchisees, the company-owned outlets and us; (b) physical, electronic, and other security systems; (c) printers and other peripheral devices; (d) archival back-up systems; (e) communication systems (including without limitation email and phone systems); and (f) Internet access mode and speed. (Franchise Agreement, Sections 3.9 and 5.12)

We may also develop, have developed, or license computer programs and other services and systems related to technology. You must comply with our standards and specifications regarding the Technology System, which may require that you enter into licenses or agreements and pay fees to us or approved suppliers. These fees may include expenses and fees for development of programs and services, licensing fees to obtain the rights to use the Technology System, and maintenance and/or support fees.

Currently, we require that you purchase or license the following:

- Computer - Surface Laptop 4
- Dock - Surface Dock 2:
- Monitor - Dell Ultrasharp 27:
- Printer - HP LaserJet
- Scanner - ScanSnap xi1600
- iPad - Used as a time clock for employees. (Order through Flex for unit with preloaded software.)
- iPad Stand - Locking iPad Stand
- iPhone - One per Vehicle
- Microsoft 365 Business Premium (one per computer)
- Krystal Klean Scheduler version 4.03.77 (accessible through the remote desktop)

- File drop v1.1.0
- IOS Mobile App v1.1.9
- Krystal Klean Website
- QuickBooks online

You must license the Krystal Klean software from us. The License fee for this software is currently $125 per month per Franchise Location. There is also a Support Fee which is currently $125 per month for the basic device package, which provides you with telephone support for the application as well as a method for us to access the information and reports necessary to evaluate your Franchise and generate invoices to send to your customers on your behalf. These fees also include updates as we generate them. These fees do not include the cost of the device, which is currently an iPhone 10 (or a more recent version), or the necessary service charges by the telecommunications provider which will be your responsibility. For additional devices, pricing varies based on the type of device and the total number of devices. We require that you purchase one iPhone 10 (or a more recent version) per Vehicle.

You must also license Excel®, Quickbooks®, Word® and Powerpoint®.

We estimate that these systems will cost between $2,000 and $4,000 to purchase.

We may require you to upgrade and/or change any hardware component or software program at any time during the term of the Franchise Agreement. There are no contractual limits on the frequency or cost of your obligations to obtain these upgrades and changes.

It is your responsibility to comply with all data protection, privacy and security laws and standards imposed or implemented with respect to your Technology System.

We will have independent access to all information stored on your Technology System, which includes all customer and sales data. There are no contractual limitations on our right to access your Technology System information.

We will provide maintenance, support, and updates for the Krystal Klean software. Other than that, we are not obligated to provide any ongoing maintenance, repairs, upgrades, or updates. We currently do not require that you enter into a maintenance contract.

We estimate that the annual cost of any optional or required maintenance, updating, upgrading, or support contracts will be $500 to $3,000.

ITEM 12
TERRITORY

Franchise Agreement

Your Franchise may be operated from a home office or you may be required to have a Franchise Location. See **Item 1** under “Special Industry Regulation” for legal requirements that might dictate that you obtain a Franchise Location and **Item 7** for further information regarding factors that we consider when determining if you must have a Franchise Location and associated cost estimates.

Your Territory will be negotiated by you and us before you sign the Franchise Agreement and specifically described in the Franchise Agreement. Your Territory is comprised of two

separate areas:

a. Your Residential Services Territory is the area within which you may provide approved services for residential buildings.

b. Your Commercial Services Protected Territory which is the area within which you may provide approved services for "smaller" commercial buildings.

In negotiating the Territory, we will examine population, median household income, traffic flow, presence of businesses, location of competitors, demographic, and other market conditions.

Your Residential Service Territory will generally be described by zip codes and will be a minimum of one zip code. Your Commercial Services Protected Territory will generally be described by county and will be a minimum of one county.

"Residential buildings" are buildings and other structures that are primarily residential in nature. "Smaller" commercial buildings" are buildings and other structures that are primarily commercial in nature that have two stories or less. A building that is multi-use, is two stories or less total and has a minimum of two residential units is a residential building for purposes of the Franchise Agreement. All other multi-use buildings will be deemed by us to be residential or "smaller" commercial buildings in accordance with the guidelines established by us from time to time in the Manuals or otherwise in writing.

You may provide mobile, on-site, commercial vehicle cleaning and related services to customers using the Vehicle(s) in the Territory. You may not provide these services for customers outside of your Territory without our prior written consent and you may not provide these services by any other means other than a Vehicle.

If you will have a Franchise Location, we have the right to approve the site. You may not relocate your Franchise Location unless you receive our prior written approval. You will be able to relocate the premises if the lease for the site expires or terminates and it is not your fault, or if the site is destroyed, condemned or otherwise rendered unusable, or if otherwise agreed by us. Any relocation will be at your expense, and we will have the right to charge you for all reasonable costs and expenses we incur to approve and implement the relocation.

Under the Franchise Agreement, you are not granted an *exclusive* territory. You may face competition from other franchisees, from outlets that we own, from other channels of distribution or competitive brands that we control.

With certain exceptions as described below, if you comply with the Franchise Agreement, we and our affiliates will not provide, or authorize third parties to provide, mobile, on-site pressure washing and window cleaning services (the **"Core Services"**) under the Marks to residential buildings in the Residential Services Territory or "smaller" commercial buildings in the Commercial Services Territory.

We and our affiliates reserve the right to:

(a) operate, and grant third parties the right to operate, a business that provides any or all of the services you provide under the Marks to Residential Buildings outside of the Residential Services Territory or smaller commercial buildings outside of the Commercial Services Territory;

(b) operate and grant third parties the right to operate a business that provides any or all of the services you provide, except for the Core Services, under the Marks anywhere within the Territory;

(c) operate, and grant third parties the right to operate, a business that provides any or all of the services you provide under tradenames and marks, other than the Marks, anywhere including, without limitation, businesses that offer the services you provide under the mark KEPT COMPANIES, even if such businesses are competitive with the Franchise;

(d) sell and distribute, and license others to sell and distribute, products and services bearing the Marks through other channels of distribution including, without limitation, the Internet, catalogs, or fixed-location businesses anywhere;

(e) provide any or all of the services you provide, or authorize third parties to provide such services, under the Marks or other marks, for any customer accounts that you have purchased (each, a "**Transferred Account**") that are located in the Territory under an Account Transfer Agreement or under a Company-Owned Business Purchase Agreement if you lose the right to provide services for the Transferred Account under the terms of the Account Transfer Agreement or Company-Owned Business Purchase Agreement, as applicable;

(f) provide any or all of the services you provide, or authorize third parties to provide such services, under the Marks or other marks, in the Territory if (i) we determine that you do not have the capacity to meet the customer's requirements due to a lack of sufficient Vehicles and/or personnel; (ii) you have engaged in "misconduct" with respect to the customer; or (iii) the customer is a National Account Customer; and

(g) acquire, be acquired by, or merge with, competitive businesses and operate them anywhere and, at our option, convert them to businesses operating under the Marks or any other name, even if such businesses are competitive with the Franchise.

You will not receive any compensation if we, or an affiliate or a third-party provides services in your Territory. Neither we, nor an affiliate must compensate you for soliciting or accepting orders for business within your Territory.

You may solicit customers and advertise your Franchise anywhere you choose. There are no restrictions on you, any of our other franchisees, or us to prevent any soliciting or advertising in someone else's territory. No party is obligated to pay compensation to any other party for soliciting customers from the other franchisee's territory. However, you may only service customers within your Territory unless we otherwise agree.

Our parent company, Kept Co., operates a business under a different trademark that sells or will sell products or services similar to those you will offer. As described in **Item 1**, Kept Co. acquired the Marks and System in May 2019. Kept Co. itself and through its subsidiaries engages in a wide-variety of commercial businesses relating to the maintenance of commercial facilities, vehicles and equipment throughout the United States under the name "Kept Companies" as well as other brand names. See **Item 1** for more details on the other brands owned by Kept Co. Many of these businesses involve pressure washing and window cleaning. Except for Kept Co. and as described in this paragraph, neither we nor any of our affiliates operates, franchises, or has plans to operate or franchise a business under a different trademark that sells or will sell products or services similar to those you will offer. However, the Franchise Agreement does not prohibit us from doing so.

We have the right to engage in any other activities not expressly prohibited in the Franchise Agreement.

We will not reduce the size of your Territory even if the population in it increases. Likewise, we will not expand the size of your Territory if the population in it decreases. We cannot alter your Territory unless you give us your written consent if you are in compliance with your obligations under the Franchise Agreement. Any rights that are not specifically granted to you under the Franchise Agreement are retained by us.

The Franchise Agreement does not contain any provisions under which you might receive any options, rights of first refusal or similar rights to acquire additional Franchises. You may apply for the right to operate additional Franchises under separate Franchise Agreements or under a Development Agreement, as described below.

After 24 months of operations, you must meet or exceed the following minimum performance criteria (the **"Minimum Performance Criteria"**) during each subsequent 12-month period during the term of the Franchise Agreement (each such 12-month period is referred to herein as a "**Performance Year"**). Gross Revenue, for the purposes of Minimum Performance Criteria only, does not include revenue derived from Kept Co. Service Program Accounts.

(a) During the first Performance Year, your average weekly Gross Revenue invoiced for services that you perform for customers in your Territory, after deducting Gross Revenue invoiced with respect to Kept Co. Service Program Accounts, must equal or exceed $4 per each 1,000 people residing in your Territory;

(b) During the second Performance Year, your average weekly Gross Revenue invoiced for services that you perform for customers in your Territory, after deducting Gross Revenue invoiced with respect to Kept Co. Service Program Accounts, must equal or exceed $5 per each 1,000 people residing in your Territory;

(c) During the third Performance Year, your average weekly Gross Revenue invoiced for services that you perform for customers in your Territory, after deducting Gross Revenue invoiced with respect to Kept Co. Service Program Accounts, must equal or exceed $6 per each 1,000 people residing in your Territory;

(d) During the fourth Performance Year, your average weekly Gross Revenue invoiced for services that you perform for customers in your Territory, after deducting Gross Revenue invoiced with respect to Kept Co. Service Program Accounts, must equal or exceed $7 per each 1,000 people residing in your Territory; and

(e) During the fifth Performance Year and for each full remaining Performance Year during the term, your average weekly Gross Revenue invoiced for services that you perform for customers in your Territory, after deducting Gross Revenue invoiced with respect to Kept Co. Service Program Accounts, must equal or exceed $8 per each 1,000 people residing in your Territory.

Except as set forth above, there is no minimum sales quota under Franchise Agreement or requirement regarding market penetration or other contingency.

Development Agreement

If you sign a Development Agreement, you will receive the right to develop additional Franchises in one or more Development Areas, which are specified in the Development Agreement. The size of the Development Areas will be mutually agreed upon prior to signing and will depend on the demographics and economic factors related to the Development Areas and other factors. Similar to a Territory, each Development Area will have a Residential Services Territory and a Commercial Services Protected Territory.

Each Franchise Agreement under a Development Agreement will have a Territory (including a Residential Services Territory and a Commercial Services Territory) that is based on the corresponding Development Area listed in the Development Agreement and which has been agreed upon prior to the signing of the Development Agreement. The Development Areas are specified geographic areas where you are granted the right to develop additional Franchises, and our then-current standards for sites and territory will apply.

Under the Development Agreement, you will not receive an *exclusive* territory. You may face competition from other franchisees, from outlets we own, from other channels of distribution or competitive brands that we control.

If you are in compliance with the Development Agreement and any Franchise Agreements between us and your and/or your affiliates, we and our affiliates will not provide mobile, on-site pressure washing and window cleaning services under the Marks to residential buildings in the Residential Services Territory or "smaller" commercial buildings in the Commercial Services Territory that comprise your Development Area, nor will we operate, nor grant a third party these rights until the earlier of (a) the termination or expiration of the Development Agreement; or (b) the last date specified in the Development Schedule; provided, however, we reserve all of the same rights within the Development Areas that we have in the Territory under the first Franchise Agreement

Under the Development Agreement, we grant additional rights to develop additional Franchises subject to compliance with the Development Agreement. Otherwise, the Development Agreement does not contain any provisions under which you might receive any options, rights of first refusal or similar rights to acquire additional franchises.

Your territorial protection in the Development Areas is dependent on your compliance with the Development Schedule and is not dependent upon your achievement of a certain sales volume, market penetration or other contingency. If you fail to adhere to the Development Schedule, we may terminate the Development Agreement. We otherwise will not change the size of your Development Areas.

ITEM 13
TRADEMARKS

The principal trademarks are owned by our parent, Kept Co. Kept Co. does not have federal registrations for our principal trademarks. Therefore, our trademarks do not have many legal benefits and rights as a federally registered trademarks. If our right to use the trademarks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

Applications for registration on the Principal Register of the United States Patent and Trademark Office have been filed as follows:

Mark	Identification Number	Application Date
	99075329	3/10/2025
	98025601	6/02/2023
KRYSTAL KLEAN	98025613	6/02/2023

Kept Co. licenses the Marks to and grants us the right to sublicense the Marks to third parties for the purpose of operating Franchises in the United States under a License Agreement effective September 5, 2024. The license granted under the License Agreement is perpetual. Either party may terminate the License Agreement if: (a) the other party materially breaches the terms of the license after notice and a 30-day cure period, or (b) the parties cease to be affiliates. If Kept Co. terminates the License Agreement, our obligations under any existing franchise or development agreements arising after such termination will be automatically assumed by Kept Co. or its designee.

There are no other agreements currently in effect which significantly limit our rights to use or license the use of the trademarks, service marks, trade names, logotypes or other commercial symbols in any manner material to the Franchise.

There are no currently effective determinations of the United States Patent and Trademark Office, Trademark Trial and Appeal Board, trademark administrator of any state, or any court, nor any pending interference, opposition or cancellation proceeding, nor any pending material litigation involving the Marks that is relevant to their use by you.

We do not actually know of either superior prior rights or infringing uses that could materially affect your use of the Marks.

Your usage of the Marks and any goodwill established from their use will benefit us. You will not receive any interest in the Marks. You may not at any time contest the validity or ownership

of the Marks, including any Marks we authorize or license to you after you sign the Franchise Agreement.

You must not use any Mark or part of any Mark as part of any company or trade name, in any modified form, in connection with the sale of any unauthorized product or service or in any other manner we do not authorize in writing. You must give notices of trademark and service mark registrations as we specify and obtain fictitious or assumed name registrations as may be required under applicable law.

You must not use any merchandising, advertising or promotional practice which is unethical or may be injurious to our business, our other franchisees or the goodwill associated with the Marks.

We and our agents will have the right to enter and inspect your Franchise to make sure you are complying with our standards.

You must use the designation ®, TM, SM or other trademark registration notice where applicable or otherwise indicate in your advertising that "Krystal Klean" and all other Marks are owned by us.

You must promptly notify us of any unauthorized use of the Marks, any challenge to the validity of the Marks, or any challenge to our ownership of, and our right to use and to license others to use, or your right to use, the Marks. Kept Co. has the right to direct and control any administrative proceeding or litigation involving the Marks, including any settlement. Kept Co. has the right, but not the obligation, to take action against uses by others that may constitute infringement of the Marks.

The Franchise Agreement does not contain any provisions under which we are required to defend or indemnify you against any claims of infringement or unfair competition arising out of your use of the Marks. You must promptly notify us of any claim asserted or litigation instituted by any person, entity, or governmental agency involving the Marks.

If Kept Co. undertakes the defense or prosecution of any litigation concerning the Marks, you must sign any documents and agree to do the things as may, in its counsel's opinion, be necessary to carry out that defense or prosecution, such as becoming a nominal party to any legal action. Unless the litigation is the result of your use of the Marks in a manner inconsistent with the terms of the Franchise Agreement, we will reimburse you for your out-of-pocket costs in doing these things (although you will still be responsible for the salary costs of your employees) and we will bear the costs of any judgment or settlement. However, if the litigation results from your use of the Marks in a manner inconsistent with the terms of the Franchise Agreement, then you must reimburse us for the cost of the litigation, including attorneys' fees, as well as the cost of any judgment or settlement.

If it becomes advisable at any time in our sole judgment for you to modify or discontinue using any Mark or for you and the Franchise to use one or more additional or substitute trade or service marks, you will have to immediately comply with our directions. We have no obligation to reimburse you for any expenditure you make because of any discontinuance or modification.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents

No patents are material to the operation of your Franchise.

Copyrights

We claim copyright protection covering various materials used in our business and the development and operation of Franchise, including the trade dress, the Manuals, advertising and promotional materials, and similar materials (discussed below). We have not registered these materials with the United States Registrar of Copyrights, but we are not required to do so. We may register one or more of these items or copyrightable materials in the future.

There are no currently effective determinations of the United States Copyright Office or any court, nor any pending litigation or other proceedings, regarding any copyrighted materials. No agreement limits our rights to use or allow franchisees to use the copyrighted materials. We do not know of any superior prior rights or infringing uses that could materially affect your use of the copyrighted materials. No agreement requires us to protect or defend our copyrights or to indemnify you for any expenses or damages you incur in any judicial or administrative proceedings involving the copyrighted materials. No provision in the Franchise Agreement requires you to notify us of claims by others of rights to, or infringements of, the copyrighted materials. If we require, you must immediately modify or discontinue using the copyrighted materials. We have no obligation to reimburse you for any expenditures you make because of any discontinuance or modification.

Confidential Information

Except for the purpose of operating the Franchise under the Franchise Agreement, you may never (during Franchise Agreement's term or later) communicate, disclose, or use for any person's benefit any of the confidential information, knowledge, or know how concerning the operation of the Franchise that may be communicated to you or that you may learn by virtue of your operation of the Franchise or your operations under the Franchise Agreement. You may divulge confidential information only to those of your employees who must have access to it to operate the Franchise. All information, knowledge, know how, and techniques that we designate as confidential will be deemed confidential for purposes of the Franchise Agreement, including any information gathered through the Technology System. However, this will not include information that you can show came to your attention before we disclosed it to you; or that at any time became a part of the public domain, through publication or communication by others having the right to do so.

In addition, we may require you, your Operating Principal, Manager, and any employee who may have access to any confidential information to sign non-disclosure and non-competition covenants. These covenants must provide that the person signing will maintain the confidentiality of information that they receive in their employment or affiliation with you or the Franchise and must be in a form that we find satisfactory, and must include, among other things, specific identification of us as a third-party beneficiary with the independent right to enforce the covenants.

Confidential Manuals

To protect our reputation and goodwill and to maintain high standards of operation under our Marks, you must conduct your business according to the Manuals. We will lend you one set of our Manuals for the term of the Franchise Agreement. The Manuals may be multiple volumes with printed text, video, and/or audiotapes and files, computer disks, and other electronically stored data. We may provide a portion or all the Manuals (including updates and amendments) and other instructional information and materials in, or via, electronic media, including through the Internet.

You must always treat in a confidential manner the Manuals, any other Manual we create (or that we approve) for use with the Franchise, and the information contained in the Manuals. You must use best efforts to maintain this information as secret and confidential, protect it from being viewed by others, and treat the Manuals with the same degree of care as you would treat your most highly confidential documents. You may not copy, duplicate, record, or otherwise reproduce the Manuals and the related materials, or any portion of the Manuals (except for the parts of the Manuals that are meant for you to copy, which we will clearly mark as such), nor may you otherwise let any unauthorized person have access to these materials. The Manuals are our sole property. You must always keep the Manuals in a secure place at the Franchise.

We may periodically revise the contents of the Manuals, and you must make corresponding revisions to your copy of the Manuals and comply with each new or changed standard immediately upon receipt of the revision. If there is ever a dispute as to the contents of the Manuals, our master copy of the Manuals (maintained at our home office) will be controlling.

You must disclose to us all ideas, concepts, methods, techniques and products that you conceive or develop during the term of the Franchise Agreement relating to the development and/or operation of Franchises. You will grant to us and procure from your affiliates, owners, agents, or employees a perpetual, non-exclusive, and worldwide right for us (and our affiliates, franchisees and other licensees) to use any such ideas, concepts, methods, techniques and products. You will do so in consideration of the grant of the Franchise, and without the payment by us of additional consideration.

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

You must appoint an individual owner as your Operating Principal who owns at least a 20% interest in the entity who must have authority over all business decisions related to the Franchise and must have the power to bind you in all dealings with us. You must also appoint a Manager to manage the day-to-day business of the Franchise, who may be your Operating Principal, unless we believe that he or she does not have sufficient experience. Your Operating Principal and Manager must attend and successfully complete the required initial certification program.

Your Manager must devote full time, energy, and best efforts to the management and operation of the Franchise.

Your Manager need not have an equity interest in the franchising entity and there are no limits on whom you can hire as your Manager.

Any replacement Operating Principal or new Manager must attend and successfully complete the required certification programs.

Your Operating Principal and other management personnel designated by us must attend all mandatory in-person meetings and remote meetings (such as telephone or video conference calls) and our annual brand convention.

We require your Manager, any new Manager, other highly trained personnel and each equity owner of the franchisee entity to sign a non-disclosure and non-solicitation agreement, the current form of which is attached to the Franchise Agreement.

Each present and future equity owner of a franchisee entity must jointly and severally guarantee your performance of every provision of the Franchise Agreement by executing the Guarantee, Indemnification and Acknowledgement in the form attached to the Franchise Agreement and/or the Development Agreement. We may also require guarantees from the family of an entity owner, including spouse or domestic partner, and any entities controlled in the aggregate by any of these individuals. Our current policy is that we generally will not require a guarantee from a spouse (or domestic partner) at the time of signing the Franchise Agreement or Development Agreement if the individual franchisee, or the individual owner of the franchisee that is signing the Guarantee, Indemnification and Acknowledgment has a net worth of at least one million dollars. We may revise our policy from time to time.

Other than as described above, we do not impose any other restrictions on your Managers.

You must prominently display, by posting a sign within public view on or in the premises, a statement that clearly indicates that the Franchise is independently owned and operated as a Krystal Klean franchise and that you are not our agent.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale only products and services that we have approved and other services approved by us from time to time that feature and operate under the Marks. You must offer for sale all products and services that we require. We have the right to change the types of authorized products or services, and there are no limits on our right to make changes.

We do not restrict your access to customers, except that all services must be performed within your Territory unless we otherwise consent as specified below.

You may not provide services to any building that is located outside of the Territory without our express written approval. In addition, you may not provide services to residential buildings that are not within the Residential Services Territory and commercial buildings that are either not within the Commercial Protected Territory or that do not qualify as “smaller” commercial buildings.

You may not perform services using equipment other than a Vehicle that meets our specifications and standards, and you may not perform services in the territory of another Krystal Klean franchisee. If you desire to provide services for any residential building that is located outside of the Residential Services Territory or for any “smaller” commercial building that is located outside of the Commercial Services Territory, and such building is not located within the protected territory of any other franchisee, you may submit a written request to provide services

for such customer giving the name of the customer and its location (and all other information requested by us). We may revoke our approval at any time.

We can change, supplement, improve, or modify the System at any time, as we deem appropriate. These changes may include, among others, the adoption or use of new or different products, services, or equipment for the Franchises; development of new techniques and methods for the promotion and sale of products and services at Franchises; and the use of new marks or copyrights. You must, upon reasonable notice, accept, adopt, implement, use, and display any change to the System we may make, at your expense.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Franchise Agreement/Support Services Agreement

Provision	Section in Franchise Agreement or Support Services Agreement	Summary
a. Length of the Franchise Term	§ 2.1 §C.1 of the Support Services Agreement	10 years Expires at the expiration of the Franchise Agreement
b. Renewal or extension of the Term	§ 2.2	If you have complied with all the provisions in the Franchise Agreement, you may renew the Franchise for two additional terms of 5 years each, subject to certain contractual requirements described in “c” below.
c. Requirements for you to renew or extend	§ 2.2	Notice, refurbish or replace Vehicles; refurbish Franchise Location (if applicable), satisfaction of monetary obligations, compliance with Franchise Agreement, sign release, sign new Franchise Agreement, pay renewal fee, meet the Minimum Performance Criteria and others; see §§ 2.2.1 - 2.2.10 of the Franchise Agreement. The new agreement that you must sign at renewal may be materially different than the original contract.

Provision	Section in Franchise Agreement or Support Services Agreement	Summary
d. Termination by you	Not Applicable §C.2 of the Support Services Agreement	Not applicable You may terminate the Support Services Agreement and all services provided thereunder without cause at any time upon 30 days' prior written notice to us provided you have paid the outstanding balance of all amounts owed to us or our affiliates under any financing we (or our affiliate) have provided to you in connection with the Franchise. In addition, you may cancel one or more of the Administrative Support (Tier 2) Program services at any time upon prior 30 days' prior written notice to us.
e. Termination by us without cause	Not Applicable §C.2 of the Support Services Agreement	Not applicable We may terminate the Support Services Agreement without cause at any time upon 30 days' written notice.
f. Termination by us with cause	§ 13 §C.2 of the Support Services Agreement	Default under Franchise Agreement, bankruptcy, abandonment, and other grounds; see § 13 of the Franchise Agreement. Under the U.S. Bankruptcy Code, we may be unable to terminate the agreement merely because you make a bankruptcy filing. We may terminate the Support Services Agreement for any of the following reasons: (i) breach of the Support Services Agreement by you and a failure to (a) cure such breach within 30 days after notice or (b) to take reasonable steps to cure such breach (if the breach is incapable of being cured within such 30-day period), or (ii) you are insolvent or file bankruptcy.
g. "Cause" defined – curable defaults	§ 13.3 §C.2 of the Support Services Agreement	All other defaults not specified in §§ 13.1 and 13.2 of the Franchise Agreement Support Services Agreement: You have 30 days to cure a breach of the Support Services Agreement.

Provision	Section in Franchise Agreement or Support Services Agreement	Summary
h. "Cause" defined - non-curable defaults	§§ 13.1 and 13.2 §C.2 of the Support Services Agreement	Bankruptcy, abandonment, conviction of felony, failure to locate site (if applicable) and open in a timely manner, failure to satisfactorily complete initial certification program, violation of covenants, maintaining false books or records, three or more defaults in 12 months, default under other agreements including a Development Agreement, transfer in violation of Franchise Agreement, failure to meet Minimum Performance Criteria and others; see § 13.2 of the Franchise Agreement. Under the U.S. Bankruptcy Code, we may be unable to terminate the agreement merely because you make a bankruptcy filing. Support Services Agreement: Non-curable defaults include insolvency or bankruptcy, breach of the Franchise Agreement and failure to cure, or termination of the Franchise Agreement.
i. Your obligations on termination/ nonrenewal	§ 14	Cease operating Franchise, cease use of Marks, assign lease/modify premises, cancel assumed names, payment of amounts due, return Manual and others; see §§ 14.1 – 14.13 of the Franchise Agreement.
j. Assignment of contract by us	§ 12.1	There are no limits on our right to assign the Franchise Agreement.
k. "Transfer" by you – defined	§§ 12.3	Includes transfer of any interest.
l. Our approval of transfer by you	§ 12.4	We have the right to approve transfers.
m. Conditions for our approval of transfer	§ 12.4	Sign release, sign new Franchise Agreement, pay transfer fee, upgrade Franchise, transferee completes initial certification program and others; see §§ 12.4.1 - 12.4.11 of the Franchise Agreement.
n. Our right of first refusal to acquire your business	§ 12.5	We have a right of first refusal. If you or any of your owners want to accept an offer to purchase you, any material asset or any direct or indirect interest in you, you and/or the owner must first offer the assets or interest to us under the same terms and conditions. If we do not wish to acquire the assets or interest, you and/or the owner may then transfer them to the third party.
o. Our option to purchase your business	§ 14.10	We have the option to purchase your equipment, and inventory at the lesser of fair market value or your book value, free of all liens and encumbrances. To exercise this option, we must notify you of our election within 30 days of expiration or termination and must complete the purchase within 60 days after our notice to you.

Provision	Section in Franchise Agreement or Support Services Agreement	Summary
p. Your death or disability	§§ 12.6, 12.7 and 12.8	Your estate must transfer your interest in the Franchise to a third party we have approved, within a year after death or six months after the onset of disability.
q. Non-competition covenants during the term of the franchise	§ 15.2	You may not divert any business or customer of the Franchise or of any Krystal Klean location to any competitor if you or any other Krystal Klean location has provided services for such customer within the prior 12-month period.
r. Non-competition covenants after the franchise is terminated or expires	§ 15.2	Includes a two-year prohibition similar to "q" (above).
s. Modification of the agreement	§ 21	Must be in writing signed by both parties.
t. Integration/ merger clause	§ 21	Only the terms of the Franchise Agreement and related agreements are binding (subject to state law). Any representations or promises made outside the Disclosure Document and Franchise Agreement may not be enforceable. *However, no claim made in any Franchise Agreement is intended to disclaim the representations made in this Disclosure Document.*
u. Dispute resolution by arbitration or mediation	§ 23.2 §6 of the Support Services Agreement	All disputes will be resolved by arbitration in Passaic County, New Jersey, subject to applicable state law (except for injunctive relief and collection actions).
v. Choice of forum	§§ 23.2 and 23.3	The parties consent to venue in the federal or state courts in Passaic County, New Jersey, subject to applicable state law.
w. Choice of law	§ 23.1 §6 of the Support Services Agreement	The laws of Delaware shall govern, subject to applicable state law.

Development Agreement

Provision	Section in Development Agreement	Summary
a. Length of the franchise term	§ 3	The end of the Development Schedule.
b. Renewal or extension of the term	Not Applicable, but see § 1.6	You may have one extension of up to six months.

Provision	Section in Development Agreement	Summary
c. Requirements for you to renew or extend	Not Applicable	You must be in compliance with the Development Agreement, give us written notice at least 60 days prior to your next development deadline, and pay us a non-refundable extension fee equal to $10,000 for each Franchise for which the deadline, as set in the Development Schedule, will be extended.
d. Termination by you	Not Applicable	Not Applicable
e. Termination by us without cause	Not Applicable	Not Applicable
f. Termination by us with cause	§ 5.1 and 5.2	Bankruptcy, insolvency, failure to fulfill development obligations/meet Development Schedule, if the Franchise Agreement for any Franchise is terminated by us for cause, violation of the non-assignment or nonsolicitation covenants, any other violation of the Development Agreement not cured within 30 days. Under the U.S. Bankruptcy Code, we may be unable to terminate the agreement merely because you make a bankruptcy filing. The termination of your Development Agreement will not entitle us to terminate a Franchise Agreement between us and you (or your affiliates).
g. "Cause" defined – curable defaults	§ 5.2.5	Any other defaults not specified in §§ 5.1 or 5.2, such as a material failure to comply with the Development Agreement and the terms of other agreements.
h. "Cause" defined - non-curable defaults	§§ 5.1 and 5.2	Bankruptcy, insolvency, failure to fulfill development obligations/meet Development Schedule, if the Franchise Agreement for any Franchise is terminated by us for cause, violation of the non-assignment or nonsolicitation covenants. Under the U.S. Bankruptcy Code, we may be unable to terminate the agreement merely because you make a bankruptcy filing.
i. Your obligations on termination/ nonrenewal	§ 5.4 and 5.5	Cease operating or developing new Franchises; see also § 5.3 (actions in lieu of termination).
j. Assignment of contract by us	Not applicable	
k. "Transfer" by you – defined	§ 6	Includes transfer of any interest.
l. Our approval of transfer by you	§ 6	We are not required to approve a transfer.
m. Conditions for our approval of transfer	§ 6	Prior written approval
n. Our right of first refusal to acquire your business	Not applicable	Not Applicable
o. Our option to purchase your business	Not Applicable	Not Applicable

Provision	Section in Development Agreement	Summary
p. Your death or disability	Not Applicable	Not Applicable
q. Non-competition covenants during the term of the franchise	Not Applicable	Not Applicable
r. Non-competition covenants after the franchise is terminated or expires	Not Applicable	Not Applicable
s. Modification of the agreement	§ 12	Must be in writing signed by both parties.
t. Integration/ merger clause	§12	Only the terms of the Development Agreement and related agreements are binding (subject to state law). Any representations or promises made outside the Disclosure Document and Development Agreement may not be enforceable. *However, no claim made in any Development Agreement is intended to disclaim the representations made in this Disclosure Document.*
u. Dispute resolution by arbitration or mediation	§ 14.2	All disputes will be resolved by arbitration in Passaic County, New Jersey, subject to applicable state law (except injunctive relief and collection actions).
v. Choice of forum	§ 14.2.8	The parties consent to venue in the federal or state courts in the Passaic County, New Jersey, subject to applicable state law.
w. Choice of law	§ 14.1	Delaware laws shall govern, subject to applicable state law.

Please refer to the disclosure addenda and contractual amendments appended to this disclosure document for additional terms that may be required under applicable state law. These additional disclosures, if any, appear in an addendum or rider in **Exhibit L.**

ITEM 18
PUBLIC FIGURES

We do not use any public figures to promote our Franchise.

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.

We do 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 Kyle Mason at 1326 Tamson Street, Suite 201, Cambria, California 93428, and (805) 203-5554, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1 -- Systemwide Outlet Summary for Years 2022, 2023 and 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	0	0	0
	2023	0	0	0
	2024	0	1	+1
Company-Owned	2022	1	1	0
	2023	1	1	0
	2024	1	0	-1
Total Outlets	**2022**	**1**	**1**	**0**
	2023	**1**	**1**	**0**
	2024	**1**	**1**	**0**

Table No. 2 -- Transfers of Outlets from Franchisees to New Owners (other than the Franchisor) for Years 2022, 2023 and 2024

State	Year	Number of Transfers
N/A	2022	0
	2023	0
	2024	0
Totals	**2022**	**0**
	2023	**0**
	2024	**0**

Table No. 3 – Status of Franchised Outlets for Years 2022, 2023 and 2024

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations (other reasons)	Outlets at End of the Year
Florida	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Total	**2022**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2023	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**1**	**0**	**0**	**0**	**0**	**1**

Table No. 4 – Status of Company-Owned Outlets for Years 2022, 2023 and 2024

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets sold to Franchisees	Outlets at the End of the year
Florida	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	0
Total	**2022**	**1**	**0**	**0**	**0**	**0**	**1**
	2023	**1**	**0**	**0**	**0**	**0**	**1**
	2024	**1**	**0**	**0**	**0**	**0**	**0**

Table No. 5 – Projected Openings as of December 31, 2024 for 2025

STATE	FRANCHISE AGREEMENTS SIGNED BUT FRANCHISE NOT OPEN	PROJECTED NEW FRANCHISES IN NEXT FISCAL YEAR	PROJECTED NEW COMPANY - OWNED UNITS IN NEXT FISCAL YEAR
Florida	0	2	1
Total	**0**	**2**	**1**

The current addresses and contact information of our franchised Krystal Klean Businesses are listed on **Exhibit M-1.**

The addresses and contact information of our franchisees that had an outlet terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during the most recently completed fiscal year or who have not contacted us within 10 weeks after the date of this Disclosure Document are provided in **Exhibit M-2.**

If you buy a Franchise, your contact information may be disclosed to other buyers when you leave the System.

We have no trademark specific franchisee associations that we sponsor or that have requested to be included in this Disclosure Document.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you.

ITEM 21
FINANCIAL STATEMENTS

We have not been in business for three years or more, and therefore cannot include all financial statements required by the Franchise Rule of the Federal Trade Commission. Exhibit N contains our audited financial statements for the year ending December 31, 2024, and our unaudited balance sheet as of April 30, 2025 and profit and loss statement from January 1, 2025 through April 30, 2025. Our fiscal year end is December 31. These financial statements have not been audited or reviewed by an accountant and are incomplete, as they do not contain any financial statement notes.

ITEM 22
CONTRACTS

Copies of the following contracts are attached to this Disclosure Document

1. **Exhibit B -** Kept Co. Services Agreement

    a. Attachment 1 – Kept Co. Services Agreement Program Rider to Franchise Agreement

b. Attachment 2 - Addendum to Kept Co. Services Agreement

2. **Exhibit C -** Franchise Agreement

   a. Attachment 1 – Lease Rider
   b. Attachment 2 - Guarantee, Indemnification and Acknowledgment
   c. Attachment 3 – Nondisclosure and Nonsolicitation Agreement

3. **Exhibit D -** Development Agreement

   a. Attachment 2 - Indemnification and Acknowledgment

4. **Exhibit E** - Account Transfer Agreement

5. **Exhibit F -** Company-Owned Business Purchase Agreement

   a. Attachment 1 – Secured Promissory Note (see **Attachment I**)
   b. Attachment 2 – Bill of Sale, Assignment and Assumption and Closing-Bring Down Agreement
   c. Attachment 3 – Additional Terms
   d. Attachment 4 – Lease Documents
   e. Attachment 5 – Revolving Credit Agreement

6. **Exhibit G** - Software License Agreement

7. **Exhibit H** - Equipment Sales Agreement

8. **Exhibit I** - Secured Promissory Note

9. **Exhibit J** - Support Services Agreement

10. **Exhibit L** - State Specific Addenda and Riders

11. **Exhibit O** - Release

There are no other contracts or agreements that we provide to be signed by you.

ITEM 23
RECEIPTS

The Receipt pages are attached as the last two pages of this disclosure document.

EXHIBIT A

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

We may register this Disclosure Document in some or all of the following states in accordance with the applicable state law. If and when we pursue franchise registration, or otherwise comply with the franchise investment laws, in these states, the following are the state administrators responsible or the review, registration, and oversight of franchises in each state and the state offices or officials that we will designate as our agents for service of process in those states:

State	State Administrator	Agent for Service of Process (if different from State Administrator)
California	Department of Financial Protection and Innovation *Los Angeles* 320 West 4th Street Suite 750 Los Angeles, CA 90013-2344 (213) 576-7500 *Sacramento* 651 Bannon Street, Suite 300 Sacramento, CA 95811 (866) 275-2677 *San Diego* 1350 Front Street, Room 2034 San Diego, CA 92101-3697 (619) 525-4233 *San Francisco* One Sansome Street, Suite 600 San Francisco, CA 94104-4428 (415) 972-8565	
Hawaii	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities P.O. Box 40 Honolulu, Hawaii 96810 (808) 586-2744	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813
Illinois	Franchise Bureau Office of Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	

State	State Administrator	Agent for Service of Process (if different from State Administrator)
Indiana	Franchise Section Indiana Securities Division Secretary of State Room E-111 302 W. Washington Street Indianapolis, Indiana 46204 (317) 232-6681	
Maryland	Maryland Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-7042	Maryland Commissioner of Securities 200 St. Paul Place Baltimore, Maryland 21202-2020
Michigan	Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street Williams Building, 1st Floor Lansing, MI 48933 (517) 373-7117	
Minnesota	Minnesota Department of Commerce Market Assurance Division 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600	Minnesota Commissioner of Commerce Market Assurance Division 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600
New York	Office of the New York State Attorney General Investor Protection Bureau Franchise Section 120 Broadway, 23rd Floor New York, NY 10271-0332 (212) 416-8236 Phone (212) 416-6042 Fax	New York Department of State One Commerce Plaza, 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 Attention: New York Secretary of State (518) 473-2492
North Dakota	North Dakota Securities Department 600 East Boulevard State Capital, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner 600 East Boulevard Avenue State Capitol Fifth Floor Dept 414 Bismarck, ND 58505-0510 (701) 328-4712

State	State Administrator	Agent for Service of Process (if different from State Administrator)
Oregon	Department of Consumer & Business Services Division of Finance and Corporate Securities Labor and Industries Building Salem, Oregon 97310 (503) 378-4140	
Rhode Island	Department of Business Regulation Securities Division 1511 Pontiac Avenue John O. Pastore Complex–69-1 Cranston, RI 02920-4407 (401) 462-9527	
South Dakota	Division of Securities 445 East Capitol Avenue Pierre, SD 57501-3185 (605) 773-4823	
Virginia	State Corporation Commission 1300 East Main Street 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater, Washington 98501 (360) 902-8760	
Wisconsin	Administrator Division of Securities Department of Financial Institutions State of Wisconsin 4822 Madison Yards Way Madison, Wisconsin 53705 (608) 266-0448	

EXHIBIT B

KEPT CO. SERVICES AGREEMENT

THIS KEPT CO. SERVICES AGREEMENT made as of this _____ by and among KEPT COMPANIES, INC., a New Jersey corporation, having its principal office at 26 Law Drive, Fairfield, NJ 07004 and an email address of _____ (**"Kept Co."**) and _____, a _____ of the State of _____, having its principal place of business located at _____ and email address of _____ (**"Service Provider"**). Kept Co. and Service Provider hereby agree as follows:

1. Accepting Job Orders and Compensation. Service Provider shall review requests for services, compensation to be paid by Kept Co. for the services to be provided and other details regarding schedule, location(s) and services to be provided (each, a **"Job Order"**) at third party accounts (the **"Accounts"**) through the scheduler software (or any replacement software or technology platform designated for posting Job Orders). Service Provider may choose to accept or reject any Job Order by indicating its acceptance in the manner indicated on the Job Order platform. Upon accepting any Job Order, Service Provider is bound by all terms and conditions specified in the Job Order. Until a Job Order is accepted by Service Provider and confirmed by Kept Co., Kept Co. may enter into an agreement with a different service provider to perform the work (or perform the work itself).

2. Billing and Payment; Reconciliation. (a) To receive payment hereunder, Service Provider shall timely submit to Kept Co. a properly completed invoice or work order in the format specified by Kept Co. from time to time which shall include a good faith preliminary estimate of the work performed by Service Provider under the relevant Job Order, along with other documentation reasonably requested by Kept Co. (collectively, the **"Preliminary Statement"**).

(b) Kept Co. shall calculate the initial payment due to Service Provider hereunder based on the relevant Job Order and the Preliminary Statement, and pay such amount to Krystal Klean Franchisor, LLC (**"Franchisor"**). Amounts paid to Franchisor shall then be distributed to Service Provider in the manner provided under Service Provider's Krystal Klean Franchise Agreement. Initial payments made by Kept Co. to Franchisor shall include fuel surcharges and are "advances" (i.e., they are made on a preliminary basis based on the Preliminary Statement and are subject to reconciliation and reduction or increases as provided herein). Service Provider agrees that Kept Co. shall be entitled to reconcile such advances after payment based on actual work performed. Kept Co. will compensate Service Provider only for the Net Sales which Kept Co. actually is paid by the customer for which Service Provider has performed the relevant services. **"Net Sales"** is defined as the gross sales billed to the customer, less sales tax, credit notes, rebates, allowances, bad debt, returns, bankruptcies and discounts taken by customer. Kept Co. may adjust subsequent payments due to Service Provider (and paid to Franchisor for payment to Service Provider pursuant to the Franchise Agreement) to reflect the reconciled amount.

(c) All billing services and payment processing services for customers will be undertaken exclusively by Kept Co. However, in the event any such payments are received by Service Provider, said payments must immediately be turned over to Kept Co. All Accounts serviced by Service Provider pursuant to this Agreement shall be deemed customers of Kept Co.

only.

(d) If Service Provider disputes or has any question as to the compensation received by or due to Service Provider hereunder (or any payment that is adjusted under subsection (b) above), Service Provider must notify Kept Co., in writing, no later than 30 days following receipt of payment (or adjustment, if applicable). Failure to do so within such 30-day period shall constitute an irrevocable bar to any challenge by Service Provider of the amount of any compensation or payment made by Kept Co. hereunder. If there is a dispute or question with respect to any compensation or payment that is timely raised pursuant to this provision, Service Provider may research the issue, and present the information to Kept Co.'s management. If the parties ultimately agree that Service Provider is correct that an error has been made in Kept Co.'s favor, Kept Co. will compensate the Service Provider a reasonable amount for its time spent researching the issue. If Service Provider does not wish to spend its time researching any dispute or question it has raised, Service Provider must pay Kept Co. a reasonable amount for Kept Co.'s time spent to research the issue (unless an error in Kept Co.'s favor is determined, in which case, Service Provider will not be obligated to compensate Kept Co. for any time that it spends researching any question.) Said compensation shall be paid directly to Kept Co. by Service Provider, and if not paid, Kept Co. may deduct it from monies due to Service Provider by Kept Co.

3. **Maintenance of Records**. Service Provider will be responsible for the maintenance of customary records relating to its performance of services hereunder for a period of three years after the date of performance and shall make such records available to Kept Co. promptly upon request for the purpose of determining an accurate accounting between the parties under this Agreement.

4. **Term and Termination**. The initial term of this Agreement shall be one year commencing from the date of this Agreement. At the expiration of the initial term, this Agreement shall automatically renew for successive one-year periods. Either party may terminate this Agreement or any Job Order issued hereunder for any reason upon 30 days advance written notice to the other party (which may be transmitted via email to the email addresses set forth by the parties' respective names above). Kept Co. may immediately terminate this Agreement or any Job Order effective upon notice (which may be transmitted via email) for a material breach of this Agreement by Service Provider, including, without limitation, lack of satisfactory or professional performance by Service Provider in servicing Accounts, as determined by Kept Co., in its sole discretion, or if the Account terminates the services performed under the Job Order or upon any termination of the Franchise Agreement.

5. **Non-Circumvention Clause.** (a) During the term of this Agreement and the 24-month period after the expiration or termination of this Agreement, Service Provider and its owners, their respective spouses and the officers and directors of Service Provider (collectively, the "**Restricted Parties**" and, individually, a "**Restricted Party**") shall not perform, directly or indirectly, any pressure washing, painting, window cleaning, roof washing or other services similar to the services performed on Kept Co.'s behalf hereunder (or under any other services agreement between the parties) for any Kept Co. Introduced Customer. A **"Kept Co. Introduced Customer"** is a customer introduced to Service Provider by Kept Co. in connection with this Agreement (or any other services agreement between the parties) and for whom Service Provider has provided services in the prior 24-month period. For avoidance of doubt, this Section does not prevent Service Provider from providing services for any Kept Co. customer for whom Service Provider

has never provided services or any Kept Co. customer for whom Service Provider has previously provided services so long as those services were not provided in the prior 24-month period.

(b) Service Provider and each Restricted Party agrees that the activities prohibited in this Section, and the length of the term of such restrictions, are necessary to protect Kept Co.'s legitimate business interests, including its customer base, and are fair and reasonable. Service Provider and each Restricted Party's full and faithful observance of each of the covenants in this Section will cause no undue hardship, financial or otherwise. If any court or arbitrator finally holds that any term in this Section is an unreasonable restriction on Service Provider or any other Restricted Party, this Agreement is not rendered void, but applies to the extent as the court or arbitrator concludes is a reasonable restriction under the circumstances.

(c) The time periods stated in this Section are suspended during any period in which Service Provider or any of the Restricted Parties is in violation of any of the terms of this Section or involved in a legal action or proceeding challenging the validity or enforceability of these terms.

(d) All Restricted Parties must sign Service Provider's standard form of non-solicit containing provisions substantially similar to those in this Section promptly upon Kept Co.'s request, and Service Provider will promptly give Kept Co. copies of these signed agreements. Service Provider warrants that such agreements shall state that Kept Co. is a third party-beneficiary under these agreements, with an independent right to enforce them in Kept Co.'s own name.

(e) This Section is to be construed as independent of any other provision of this Agreement. The existence of any claim Service Provider or any other Restricted Party may have against Kept Co. or any of its affiliates (regardless of whether arising from this Agreement) is not a defense to the enforcement of this Section against Kept Co. or any other Restricted Party.

6. <u>Indemnification; Limit on Liability</u>. Service Provider will indemnify, defend and hold Kept Co. and its affiliates harmless from and against all claims, demands, suits, liabilities, losses, damages or injuries (collectively, **"Liabilities"**) based upon or arising out of Service Provider's performance of this Agreement or from Service Provider's services under this Agreement or any breach of this Agreement by Service Provider or any Restricted Party, except to the extent such Liabilities directly result from the sole negligence of Kept Co. Any such claims or damages may also be deducted, at Kept Co.'s option, from all money due to Service Provider pursuant to this Agreement. In any action arising out of or relating to this Agreement or the relationship of the parties, in no event shall Kept Co. be liable to Service Provider for an amount exceeding the amount paid by Kept Co. to Service Provider during the 12-month period immediately prior to the filing of any claim hereunder.

7. <u>Status of Relationship</u>. Service Provider and Kept Co. hereby acknowledge and agree that Service Provider is an independent contractor, and not an employee, agent, or partner of Kept Co. As such, Service Provider will not participate in any Kept Co. employee benefit plans, including but not limited to workers' compensation, unemployment insurance, and any other benefits that may be available to Kept Co.'s employees. Service Provider will not have the power or authority to bind Kept Co. or to assume or create any obligation, express or implied, on Kept Co.'s part or in Kept Co.'s name. Kept Co. has no responsibility for the withholding of federal, state or local taxes or for the payment of FICA or any taxes, penalties, interest or any other fees and charges whatsoever as a consequence of any money remitted to Service Provider or received

by Service Provider pursuant to the terms of this Agreement. Service Provider shall be solely responsible for the preparation and filing of all federal, state and local tax returns, and for any payments due thereunder, and insurance for itself and its employees. Service Provider hereby agrees to obtain and provide commercial general liability insurance to cover the Service Provider and Kept Co. relating to the performance of services herein, in an amount not less than $1,000,000.00 per occurrence for property damage and bodily injury. Insurance must not be less than $1,000,000 per occurrence and must also meet or exceed all state statutory requirements or limits should these requirements or limits exceed $1,000,000 per occurrence. Service Provider will also obtain and provide worker's compensation insurance and auto liability insurance for all Service Provider 's employees, him or herself, vehicles and equipment and for, in the minimum amount of $1,000,000.00 per occurrence. No insurance shall be obtained by Kept Co. concerning Service Provider, Service Provider's equipment, Service Provider's employees, nor will Kept Co. obtain general liability insurance for Service Provider. In addition, Service Provider agrees that it will personally fulfill its own financial and legal obligations as a non-employee, including, but not limited to the following all business expenses associated with the performance of the services and costs related to equipment, tools, materials, and supplies to perform the services, as well as vehicles used in the performance of the services.

8. Quality Standards. Service Provider represents and warrants that the services shall be performed by competent and qualified personnel in a professional manner consistent with industry standards; in accordance with all applicable laws, regulations**,** and other legal requirements; in compliance with Kept Co. policies and the standards. Service Provider may not use non-employees or subcontractors without the written consent of Kept Co.'s Chief Executive Officer.

9. Marks Usage. Service Provider may not directly or indirectly use the mark "KEPT COMPANIES" or any similar mark or other indicia or commercial symbol of Kept Co. in the performance of the services hereunder or for any other purpose.

10. Dispute Resolution. (a) Except as otherwise provided herein, all disputes arising out of this Agreement, the relationship of the parties or relating in any way to the validity, interpretation or enforcement of this Agreement, including, but not limited to, the validity and scope of the arbitration provisions under this Section, shall be resolved exclusively through binding arbitration. The arbitration proceedings will be conducted before a single arbitrator according to the commercial arbitration rules of the American Arbitration Association (**"AAA"**). Unless otherwise agreed to by Kept Co., the arbitration shall be conducted in Passaic County, New Jersey. The arbitrator's decision shall be final and enforceable against the parties. Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction. All documents, information, and results pertaining to any arbitration will be confidential, except as required by law. Notwithstanding anything contained herein, Kept Co. reserves the right to seek temporary restraining orders, preliminary injunctions or other interim relief when deemed necessary to preserve the status quo or prevent irreparable injury any court of competent jurisdiction.

(b) In any arbitration proceeding, each must submit or file any claim that would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any claim which is not submitted or filed as required is waived and forever barred. Service Provider, its affiliates and their respective equity holders, officers, directors, agents and/or employees shall not pursue class

claims, multi-plaintiff, consolidated or representative actions in any arbitration to which Kept Co., its affiliates, or any of their respective equity holders, officers, directors, agents, and/or employees are parties. Notwithstanding the foregoing, if any court determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section, then the parties agree that this arbitration clause shall not apply to that dispute and that such dispute shall be resolved in a judicial proceeding.

(c) Subject to Section 6, the arbitrator has the right to award or include in his or her award any relief which he or she deems proper including, but not limited to, money damages (with interest on unpaid amounts from the date due) or equitable relief and attorneys' fees and costs, provided that the arbitrator may not award any punitive or exemplary damages against either party.

(d) Except as provided herein, for any matter which is not subject to arbitration as herein provided, each party agrees that such action or proceeding may only be brought in the federal or state courts located in Passaic County, New Jersey. Service Provider hereby waives all claims related to lack of personal jurisdiction or improper venue for the purpose of carrying out this provision. Notwithstanding the foregoing, this exclusive choice of jurisdiction and venue provision does not restrict the ability of the parties to confirm or enforce judgments or awards in any appropriate jurisdiction.

(e) If either Kept Co. or Service Provider seeks to enforce this Agreement in an arbitration or a judicial action or proceeding, the prevailing party shall be entitled to recover its reasonable costs and expenses (including attorneys' fees, attorneys' assistants' fees, accountants' fees, expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel, room and board, salaries and benefits of those employees participating in such proceeding) incurred in connection with such judicial or other proceeding.

(f) All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other applicable federal statute, this Agreement and all claims arising from the relationship between the parties or relating in any way to the validity, interpretation or enforcement of this Agreement, including, but not limited to, the validity and scope of the arbitration provisions hereunder will be governed by the laws of the State of Nevada, without regard to its conflict of laws rules.

(g) Any notices or communications required or relating to this Agreement in any manner shall be mailed by overnight courier or certified mail, return receipt requested, to the parties at the addresses as set forth on the first page of this Agreement, with the exception of communications permitted to be sent via email under Section 4.

11. Disclosure. Kept Co. may profit from the work performed by Service Provider hereunder. In addition, amounts earned will be included as gross revenues under Consultant's Kept Co. Krystal Klean Franchise Agreement with Franchisor. As such, amounts paid by Kept Co. are likely to be subject to royalties, brand fund contributions, national account support fees and any other fees that are calculated based on Service Provider's gross revenue under the Franchise Agreement prior to distribution to Kept Co. Kept Co. has assessed its ability to profit from performing the services hereunder after considering its expenses, including amounts that must be paid under the Kept Co. Krystal Klean Franchise Agreement, and has voluntarily entered

into this Agreement after having the opportunity to consider and speak with its business advisors about this Agreement. Kept Co. does not guarantee any volume of business to Service Provider, and has no obligation to make Job Orders available to Kept Co. hereunder.

12. Miscellaneous. This Agreement may be executed in counterparts and/or by electronic signature, and each counterpart or copy that is executed by electronic signature, when executed, shall have the efficacy of a signed original. This Agreement shall not be construed against any party on the basis that the party was the drafter. Neither the rights nor the obligations of Service Provider under this Agreement may be assigned or delegated, in whole or in part, without the prior written consent of Kept Co., which consent may be withheld in Kept Co.'s sole discretion. Any assignment or delegation in contravention of this Section shall be null and void. This Agreement constitutes and contains the entire Agreement and understanding concerning the subject matters addressed herein between the parties and supersedes and replaces ail prior negotiations and all agreements, whether written or oral, concerning the subject matter hereof. All of the parties' obligations which expressly, or by their nature, survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire. No modification of this Agreement shall be binding unless it is in writing and signed by both parties. Except as provided herein, no right or remedy conferred upon or reserved to Kept Co. or Service Provider by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

Accepted and agreed as of the date first written above:

KEPT COMPANIES, INC.

By: _____
Lorraine Matarazzo, Chief Administrative Officer

SERVICE PROVIDER

By: _____
[insert name and title]

For purpose of Section 5:

_____
[insert name], individually

Attachment 1
to
Kept Co. Services Program Agreement

Addendum to Kept Co. Services Agreement

THIS ADDENDUM is made as of _____ by and between **KEPT COMPANIES, INC.** (**"Kept Co."**) and _____ (**"Service Provider"**) and supplements, amends and modifies that certain Kept Co. Services Agreement entered on even date herewith (the **"Agreement"**). Capitalized terms that are used herein and are not defined shall have the meanings ascribed to them in the Agreement. The parties hereto agree as follows:

1. Service Provider has had the opportunity to review Job Orders for each of the "Kept Companies" customer accounts identified on Schedule 1 (the **"Kept Companies Accounts"**) and accepts the right and the obligation to perform pressure washing, painting, window cleaning, roof washing and related services for such Kept Companies Accounts in accordance with the terms and conditions of the Agreement and the relevant Job Order.

2. Concurrently with the execution of this Addendum, Service Provider is entering into [a Company-Owned Purchase Agreement] or [an Account Transfer Agreement] with Kept Co.'s affiliate, Krystal Klean Franchisor, LLC. It is acknowledged and agreed that the Kept Co. Accounts are currently owned by Kept Co., and shall remain owned by Kept Co. notwithstanding anything to the contrary in any other agreement.

3. The parties further agree that the Kept Co. Accounts are subject to the terms of the Kept Co. Services Agreement including, without limitation, Section 4 (termination) and Section 5 (non-circumvention).

In the event of any conflict with the Kept Co. Services Agreement, the terms of this Addendum shall control. Except as modified by this Addendum, the Agreement is unmodified and remains in full force and effect.

KEPT COMPANIES, INC.

By: _____
Lorraine Matarazzo, Chief Administrative Officer

[INSERT NAME]

By: _____
Name: _____
Title: _____

Schedule 1 to Addendum to Kept Co. Services Agreement

KEPT CO. ACCOUNTS

[insert]

EXHIBIT C

FORM OF FRANCHISE AGREEMENT

KRYSTAL KLEAN FRANCHISOR, LLC

FRANCHISE AGREEMENT

_____
Franchisee Name

_____
Date of Agreement

SUMMARY PAGE

1. **Effective Date:** _____

2. **Franchisee's Name:** _____

3. **Franchisee's State of Organization** *(if applicable):* _____

4. **Ownership of Franchisee:**

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

Name	Percentage Ownership
_____	_____%
_____	_____%

5. **Residential Services Territory (Section 1):** [attach map if necessary]_____

_____

6. **Commercial Services Territory (Section 1):** [attach map if necessary]_____

_____

7. **Initial Franchise Fee (Section 4.1):** $_____

8. **Operating Principal (Section 5.5):** _____

9. **Franchisee's Address for Notices (Section 20):** _____

_____

_____

10. **Additional Terms *(if any)*:** _____

_____

_____

Initials: _____(KRYSTAL KLEAN FRANCHISOR, LLC) _____(Franchisee)

Attachments:

1 Lease Rider
2 Guarantee, Indemnification and Acknowledgment
3 Non-Disclosure and Non-Competition Agreement

FRANCHISE AGREEMENT

THIS AGREEMENT (the "**Agreement**") is made and entered into as of the date (the "**Effective Date**") set forth on the Summary Page which appears after the cover page of this Agreement (the "**Summary Page**") (the Summary Page, schedules, exhibits and attachments attached to this Agreement are hereby incorporated by this reference), by and between **KRYSTAL KLEAN FRANCHISOR, LLC**, a Delaware limited liability company with its principal place of business at 1326 Tamson Street, Suite 201, Cambria, California 93428 ("**Franchisor**" or "**we**"), and the entity identified on the Summary Page as the franchisee ("**Franchisee**" or "**you**") with its principal place of business as set forth on the Summary Page.

BACKGROUND:

A. Franchisor has developed and owns a format and system (the "**System**") relating to the establishment, development and operation of "Krystal Klean" franchises ("**Franchises**") that offer mobile, on-site pressure washing and window cleaning services (the **"Core Services"**) using specially equipped Krystal Klean service vehicles (the "**Vehicles**"). In addition to the Core Services, Franchisor may from time to time authorize the Franchisee to perform other related services and such approved services, in addition to the Core Services, shall be referred to herein as the **"Services"**;

B. The distinguishing characteristics of the Krystal Klean system (the **"System"**) include, without limitation, the Marks (as defined), distinctive business formats, the Krystal Klean Operations Manual (the **"Manual"**), the Vehicles, initial and ongoing certification programs and assistance, procedures and techniques for providing services, operations, management and accounting, and advertising and promotional programs. We may change the System periodically.

C. The System is identified by the mark Krystal Klean™ and associated logos, commercial symbols and such other trade names, service marks and trademarks as are now, or in the future, designated by Franchisor as an integral part of the System ("**Marks**");

D. Franchisor has engaged its affiliate, FW Fleet Clean, LLC, a Delaware limited liability company (**"Management Co."**), pursuant to a Support Services Agreement, to provide certain management, financial and administrative services required for Franchisee to enjoy the benefits of the System. Franchisor may appoint a substitute for Management Co. at any time, including, but not limited to, any of Franchisor's affiliates, to perform such services or Franchisor may perform such services itself. Franchisor, Management Co., or a substitute may perform any or all duties under this Agreement; and

E. Franchisee desires to operate a Franchise under the System within the Territory (as defined in **Section 1.1**) and using the Marks and wishes to obtain a License (as defined in **Section 1.1**) from Franchisor for that purpose.

NOW, THEREFORE, the parties agree as follows:

2. GRANT

2.1. Grant of Rights.

(a) Upon the terms and conditions set forth in this Agreement, Franchisor hereby grants to Franchisee a non-exclusive license (the "**License**") to operate a business that provides Services to (a) residential buildings (**"Residential Buildings"**) located in the "**Residential Services Territory"** described on the Summary Page; and (b) buildings and other structures that are commercial in nature that have two stories or less (**"Smaller Commercial Buildings"**) and are located in the **"Commercial Services Territory"** described on the Summary Page. Collectively, the Residential Services Territory and the Commercial Services Territory are referred to herein as the **"Territory"**. Franchisee may not provide Services to Residential Buildings that are not within the Residential Services Territory or to Smaller Commercial Buildings that are not within the Commercial Services Territory. In addition, Franchisee may not provide Services for any commercial building that is not a Smaller Commercial Building.

(b) Buildings and other structures that are primarily commercial in nature that have two stories or less shall be deemed "Smaller Commercial Buildings" for purposes of this Agreement. A building that is multi-use, is two stories or less and has a minimum of two residential units shall be deemed a "Residential Building" for purposes of this Agreement. All other multi-use buildings shall be deemed by Franchisor to be Residential Buildings or Smaller Commercial Buildings in accordance with the guidelines established by Franchisor from time to time in the Manuals or otherwise in writing. Any dispute as to whether a building is a Residential Building or is a Smaller Commercial Building shall be determined by Franchisor in its sole discretion, and Franchisor's determination shall be final and binding on the parties.

(c) Franchisee hereby accepts the License and will operate the Franchise in accordance with this Agreement during the entire initial term of the License (as specified in **Section 2.1**).

2.2. Territorial Protections. So long as Franchisee is in full compliance with this Agreement, Franchisor and its affiliates shall not: (a) provide the Core Services under the Marks to Residential Buildings in the Residential Services Territory or to Smaller Commercial Buildings in the Commercial Services Territory; or (b) grant a third party a license to operate a business that provides the Core Services under the Marks to Residential Buildings in the Residential Services Territory or to Smaller Commercial Buildings in the Commercial Services Territory.

2.3. Reservations. Except as provided in **Section 1.2**, this Agreement does not grant any territorial rights, radius restrictions, or protected area; and Franchisor and its affiliates have the right to conduct any business activities, under any name, in any geographic area, and at any location, without any liability to Franchisee regardless of the proximity to or effect on the Franchise or threatened or actual impact on sales of the Franchise. Specifically, and notwithstanding anything to the contrary in this Agreement, Franchisor and its affiliates reserve the right to:

(a) operate, and grant third parties the right to operate, a business that provides any or all of the Services under the Marks to Residential Buildings outside of the

Residential Services Territory or Smaller Commercial Buildings outside of the Commercial Services Territory;

(b) operate and grant third parties the right to operate a business that provides any or all of the Services, except for the Core Services, under the Marks anywhere within the Territory;

(c) operate, and grant third parties the right to operate, a business that provides any or all of the Services under tradenames and marks, other than the Marks, anywhere including, without limitation, businesses that offer the Services under the mark KEPT COMPANIES, even if such businesses are competitive with the Franchise;

(d) sell and distribute, and license others to sell and distribute, products and services bearing the Marks through other channels of distribution including, without limitation, the Internet, catalogs, or fixed-location businesses anywhere;

(e) provide any or all of the Services, or authorize third parties to provide such Services, under the Marks or other marks, for any customer accounts that Franchisee has purchased (each, a "**Transferred Account**") that are located in the Territory under an Account Transfer Agreement (the current form of which is attached to Franchisor's current Franchise Disclosure Document) or under a Company-Owned Business Purchase Agreement (the current form of which is attached to Franchisor's current Franchise Disclosure Document) if Franchisee loses the right to provide Services for the Transferred Account under the terms of the Account Transfer Agreement or Company-Owned Business Purchase Agreement, as applicable;

(f) provide any or all of the Services, or authorize third parties to provide Services, under the Marks or other marks, in the Territory if (a) Franchisor determines, in its reasonable discretion, that Franchisee does not have the capacity to meet the customer's requirements due to a lack of sufficient Vehicles and/or personnel; (b) Franchisee has engaged in "misconduct" with respect to the customer, as determined in Franchisor's reasonable discretion, which includes, without limitation, faulty workmanship, providing Services in a manner that is unsatisfactory, missing scheduled appointments on two or more occasions, fraud, theft, or misappropriation of a customer's water or cleaning products, Franchisee's personnel engaging in illegal activities on a customer's premises, dishonesty, repeated customer complaints relating to quality of Services or failure to provide Services consistent with standards and specifications, or repeated violations of the service contract with Franchisee's customer; or (c) the customer is a National Account Customer (as defined in **Section 5.20**); and

(g) acquire, be acquired by, or merge with, competitive businesses and operate them anywhere and, at Franchisor's option, convert them to businesses operating under the Marks or any other name, even if such businesses are competitive with the Franchise.

Franchisee acknowledges that the activities described above are only examples, and do not limit the business activities that Franchisor and its affiliates may undertake. Franchisee also acknowledges that Franchisor has made no other representations concerning Franchisee's rights in any geographic territory, except as provided in this **Article 1**.

2.4. Advertising and Promotional Materials. Franchisor and Franchisee acknowledge that advertising and promotional materials created, placed, and/or distributed by Franchisor, other franchisees operating under the System, or other entities authorized by Franchisor, may appear in media distributed in, or may be directed to prospective customers

located within, areas encompassing the Territory, including on Franchisor's website or any related website. Neither Franchisee, nor any other franchisee, is restricted from offering or promoting products or services to any customers regardless of where they are located; provided, however, Franchisee may not perform Services outside of the Territory, except as expressly provided in **Section 1.5** below.

2.5. Sale of Products and Services. Unless otherwise permitted by Franchisor, Franchisee shall offer and sell only products and services previously authorized by Franchisor, shall offer and sell all products and services using Vehicles and as otherwise directed by Franchisor and shall offer and sell products and services only in accordance with the requirements of this Agreement and the procedures set forth in the Manuals as they may be developed and/or modified from time to time. Franchisee may not perform Services using equipment other than a Vehicle that meets Franchisor's specifications and standards. If Franchisee desires to provide Services for any Residential Building that is located outside of the Residential Services Territory or for any Smaller Commercial Building that is located outside of the Commercial Services Territory, and such building is not located within the protected territory of any other franchisee, Franchise may submit to Franchisor a written request to provide Services for such customer giving the name of the customer and its location (and all other information requested by Franchisor). Franchisor may, in its sole discretion, approve or disapprove such request. Franchisor may, at any time, revoke its approval effective upon giving written notice of the same to Franchisee and if approval is revoked, Franchisee shall use reasonable best efforts to assist Franchisor in transferring such customer account to Franchisor's designee (who may be another System franchisee).

3. TERM AND SUCCESSOR TERMS

3.1. Term. Unless sooner terminated in accordance with the provisions hereof, the initial term of the License commences on the Effective Date and continues until that date which is 10 years after the Effective Date.

3.2. Successor Term. Franchisee may, at its option, request a successor term for two additional terms of five years each. Franchisee's option to enter a successor term is subject to the following conditions, each of which must be met prior to the commencement of the successor term:

(a) If Franchisee operates the Franchise from a "brick and mortar location" or other physical structure (a "**Franchise Location**"), Franchisee must present evidence to Franchisor that Franchisee has the right to remain in possession of the Franchise Location for the duration of the successor term, or must obtain approval by Franchisor of a new location for the Franchise for the duration of the successor term;

(b) Franchisee must give Franchisor written notice of Franchisee's election to enter into a successor term no fewer than six months, nor more than 12 months, prior to the end of the initial term (or successor term as the case may be);

(c) Franchisee must update or refurbish its Franchise Location and/or update, refurbish or replace its Vehicle(s) and other equipment to comply, as determined solely by Franchisor, with Franchisor's then-current standards;

(d) From the time of Franchisee's election to enter a successor term through the end of the initial term (or successor term as the case may be), Franchisee and its affiliates shall strictly comply with this Agreement, any amendment to this Agreement, any

successor to this Agreement, or any other agreement between Franchisee (and its affiliates) and Franchisor (and its affiliates) (the "**other agreements**");

(e) Franchisee and its affiliates must have substantially complied with this Agreement, such other agreements, as well as the Brand Standards (as defined in **Section 5.8**) during the initial term (or successor term as the case may be);

(f) Franchisee must have satisfied all monetary obligations to Franchisor and its affiliates, and must have timely met those obligations throughout the initial term (or successor term as the case may be), with time being of the essence;

(g) Franchisee must execute Franchisor's then-current form of franchise agreement, which agreement shall supersede this Agreement in all respects (except the successor franchise agreement will not require payment of an initial franchise fee and these successor term provisions shall carry-over). Franchisee acknowledges that the successor franchise agreement may differ substantially from this Agreement, including, without limitation, by imposing a higher percentage royalty fee and advertising contribution;

(h) Franchisee shall pay, in lieu of an initial franchise fee, a successor term fee equal to 25% of the Initial Franchise Fee or $10,000, whichever is greater;

(i) Franchisee and its owners must execute a general release, in a form prescribed by Franchisor, of any and all claims against Franchisor and its affiliates, and their respective officers, directors, agents, and employees;

(j) Franchisee and its personnel shall comply with Franchisor's then-current qualification and certification requirements prior to commencement of operations under the successor franchise agreement; and

(k) Franchisee must have met the Minimum Performance Criteria as set forth in **Section 5.21** during the initial term (or successor term as the case may be).

4. FRANCHISOR'S DUTIES

4.1. Site Evaluation Services. If Franchisee will have a Franchise Location, Franchisor shall furnish Franchisee such site selection counseling and assistance as Franchisor may deem advisable. Franchisor may perform an on-site evaluation of a proposed site for the Franchise Location if Franchisor deems such on-site evaluation necessary and appropriate, in its sole discretion; provided, however, Franchisee shall reimburse Franchisor for Franchisor's reasonable expenses incurred in connection with any on-site evaluation(s), including, without limitation, the cost of travel, lodging and meals (**"TLM"**), and Franchisor may assess Franchisee its then-current site review fee, regardless of whether the site visit was made on Franchisor's own initiative or at Franchisee's request.

4.2. Initial Certification Program; Refresher Programs. Franchisor shall provide for Franchisee's Operating Principal (as defined in **Section 5.5**) and Manager (as defined in **Section 5.5**), an initial certification program, which will be conducted at such time(s) and location(s) designated by Franchisor. Franchisor reserves the right to vary the length and content of the initial certification program based on the experience and skill level of any individual attending the program. Franchisor may charge a reasonable fee for additional individuals who attend the program. Franchisor may also provide additional refresher certification programs or new certification programs as it deems appropriate. Franchisor is responsible for the cost of providing certification instruction and materials, subject to **Section 5.5**.

4.3. Development of the Franchise. Franchisor may perform an on-site evaluation of any Franchise Location to confirm that its construction and specifications meet the quality standards of the System. Franchisor reserves the right to approve or disapprove the construction or specifications of any Franchise Location and may require Franchisee to alter the Franchise Location at its own expense.

4.4. Opening Assistance.

(a) If the Franchise is Franchisee's first Franchise, Franchisor shall provide one or more representatives to be present at the Franchise for pre- and post-opening assistance for at least five days (which may not be consecutive). During opening assistance, such representative(s) shall also assist Franchisee in establishing and standardizing procedures and techniques for the operation of the Franchise according to Franchisor's standards.

(b) If Franchisee requests additional assistance from Franchisor to facilitate the opening of the Franchise and if Franchisor, in its discretion, deems it feasible and appropriate to comply with the request, Franchisee shall reimburse Franchisor for the expenses of Franchisor providing such additional assistance, which may include Franchisor's then-current service fee, as set forth in the Manuals or otherwise communicated to Franchisee in writing from time to time. Franchisor will provide such additional on-site pre-opening and opening assistance as Franchisor deems advisable.

4.5. Manuals. Franchisor will provide Franchisee with access to the Manuals, as more fully described in **Article 7**.

4.6. Advertising and Promotion. Franchisor will review, and may approve or disapprove, all advertising and promotional materials that Franchisee proposes to use pursuant to **Section 10.1.1.** In addition, Franchisor will provide Franchisee with such other advertising assistance, sales advice, or related materials, as Franchisor deems advisable.

4.7. Call Center & Brand Fund. Franchisor has established and administers a System-wide fund that is currently used to support the Krystal Klean Call Center and other promotional activities that support and enhance the Krystal Klean brand, which is referred to as the "**Call Center & Brand Fund**", or such other name as Franchisor may designate from time to time, in the manner set forth in **Section 10.2**.

4.8. Invoicing and Payment Processing; Advance Assurance Program

(a) Franchisee hereby purchases collections and payment processing services from Franchisor as provided herein. Unless otherwise required by Franchisor, Franchisee shall invoice Franchisee's customers amounts due on a weekly basis, unless Franchisor considers a different interval appropriate.

(b) If Franchisor elects to undertake invoicing services on behalf of Franchisee, it shall notify Franchisee in writing that it desires to do so, which notice shall also specify the date upon which Franchisor shall undertake invoicing services. Thereafter, Franchisor shall generate and invoice Franchisee's customers based on statements and other information provided by Franchisee. Franchisee shall have the opportunity to review pro forma invoices generated by Franchisor for Franchisee's customers in advance. Franchisee must ensure that the final amounts charged are accurate as reflected on such pro forma invoices.

(c) Franchisor shall process payments received from Franchisee's customers and Franchisor's parent company, Kept Companies, Inc. (**"Kept Co."**), if Franchisee participates in the Kept Co. Service Program, and deduct, and pay itself, Royalty Fees and any other amount due and payable to Franchisor hereunder, under any other agreement or otherwise, as well as any bank, credit card or service charges. If Franchisor must incur additional fees, charges or out-of-pocket costs of any kind for processing payments on behalf of Franchisee due to Franchisee's customer's requirements, these amounts will be deducted from payments received from Franchisee's customers, along with a reasonable administrative fee for additional time spent handling a customer's bill processing requirements. Subject to Franchisee's election to participate in the Advance Assurance Program (as defined in **Section 3.8.7**) with respect to a customer, Franchisor shall pay Franchisee the balance of each customer payment within ten business days after the date of payment by Franchisee's customer.

Franchisor shall provide Franchisee a report showing the amounts invoiced, collected (if applicable) and a full detail of all deductions.

(d) Franchisee holds Franchisor harmless for all losses related to any errors in any invoices generated by Franchisee and invoices generated by Franchisor and provided to Franchisee's customers provided Franchisee has been given the opportunity to review invoices in advance.

(e) If a customer fails to make payment in a timely manner, Franchisor will send a letter demanding payment within 90 days after the due date of the payment. Except for this letter, Franchisor has no obligation to engage attorneys, commence litigation, or take any other action to collect and enforce payment of Franchisee's customer accounts. However, if Franchisor does engage in such additional collection efforts, Franchisee shall pay to Franchisor its out-of-pocket costs (including, attorney's fees, court costs and all other costs and expenses) incurred to collect and enforce payments due under Franchisee's customer accounts.

(f) Franchisee agrees that Franchisor shall have the exclusive responsibility of submitting invoices to Franchisee's customers (if it has undertaken invoicing responsibility under **Section 3.8.2**) and collection and payment processing services for Franchisee's customers, unless otherwise agreed in writing by Franchisor. Any violation of this provision is a material breach of this Agreement.

(g) Except as provided herein, Franchisor has no obligation to make payment of or advance any amount to Franchisee in relation to customer payment obligations unless and until payment is received by Franchisor. Franchisee may elect to participate in the Krystal Klean Advance Assurance Program (the "**Advance Assurance Program**") for specific customers, as described herein. The Advance Assurance Program permits Franchisee to receive "advances" on amounts to be collected from specified customers so that Franchisee receives payment in full within ten business days after the date of invoice rather than within ten business days from the date of the customer's payment under **Section 3.8.3**. An advance may be required by Franchisor to be repaid by Franchisee if a customer invoice is deemed "uncollectible", which shall be presumed if Franchisor has not collected the entire amount due within 180 days after the date of invoice. Franchisee shall repay the Advances for uncollectable receivables to Franchisor immediately upon demand. To participate in the Advance Assurance Program for a particular customer, Franchisee must provide Franchisor with advance written notice of its intention to participate in the Advance Assurance Program for such customer and otherwise adhere to the procedures for the Advance Assurance Program as specified in the Manuals. Franchisee may discontinue participation in the Advance Assurance Program at any time, or with respect to a particular customer, upon reasonable advance written notice to Franchisor. To compensate

Franchisor for providing advances, Franchisee shall pay Franchisor an "**Advance Fee**" equal to 3% of the total amount invoiced to the specified customer for Franchisee's Services. Franchisor reserves the right to not provide advances for any customer if Franchisor determines that such customer is a credit risk or if the customer is withholding funds due to Franchisee's deficient service. Franchisor may discontinue the Advance Assurance Program at any time upon 30 days advance notice to Franchisee.

4.9. Technology System. Franchisor shall specify or require that certain brands, types, makes, and/or models of communications, computer systems, and hardware be used by Franchisee, including without limitation: (a) back office and point of sale systems, data, audio, video, and phone, voice storage, retrieval, and transmission systems for use at the Franchise, between or among Krystal Klean franchisees, the company-owned units and Franchisor; (b) physical, electronic, and other security systems; (c) printers and other peripheral devices; (d) archival back-up systems; (e) communication systems (including without limitation email and phone systems); and (f) Internet access mode and speed (collectively, the "**Hardware & Peripherals**"). Franchisor may also designate: (i) software programs that Franchisee must use (which may include certain proprietary software), which Franchisee shall install ("**Required Software**"; together, with the Hardware & Peripherals, the **"Technology System"**); (ii) updates, supplements, modifications, or enhancements to the Required Software, which Franchisee shall install; (iii) the tangible media upon which such Franchisee shall record data; (iv) the database file structure of the Technology System; and (v) additional Technology Systems that must be used. Franchisee may be required to enter into agreements with Franchisor, its affiliates or third parties in connection with procuring the required Technology System. Currently, Franchisee must license the Krystal Klean proprietary software pursuant to the Software License Agreement with us (the "**Software License Agreement**").

4.10. On-Going Assistance. Franchisor shall provide periodic assistance to Franchisee in the marketing, management, and operation of the Franchise as Franchisor determines at the time(s) and in the manner determined by Franchisor.

4.11. Delegation. Franchisor may delegate performance of any of its obligations under this Agreement to third parties, including its affiliates including, without limitation, Management Co.

5. ROYALTY FEES; SALES REPORTING

5.1. Initial Franchise Fee. Franchisee shall pay Franchisor the initial franchise fee that is specified on the Summary Page (the "**Initial Franchise Fee**"), which must be paid in full prior to or upon execution of this Agreement. The Initial Franchise Fee is not refundable under any circumstances, except if Franchisee's Operating Principal or Manager fails to successfully complete the initial certification program in accordance with the requirements of **Section 5.5**. If Franchisor terminates this Agreement due to any failure to successfully complete the initial certification program pursuant to **Section 5.5**, Franchisor will refund the Initial Franchise Fee, less an amount equal to $5,000, plus its costs and expenses, subject to Franchisee's and its owners' execution of a general release.

5.2. Royalty Fees. Franchisee shall pay Franchisor a continuing royalty fee in an amount equal to 8.5% of Gross Revenue of the Franchise ("**Royalty Fees**") at such time, for such periods, and in such manner as specified herein, or as otherwise specified in writing by Franchisor. The term "**Gross Revenue**" means amounts derived from all products or services sold from or through the Franchise, including any sale of products or services made for cash or

credit, or partly for cash and partly for credit plus the proceeds of any business interruption insurance, less refunds. "**Gross Revenue**" also includes the fair market value of any services or products received by the Franchisee in exchange for Franchisee's services and products.

(a) Franchisee shall deliver to Franchisor all reports, statements and/or other information regarding its Gross Revenue at the time(s) and in the format(s) reasonably requested by Franchisor from time to time ("**Sales Reports**").

(b) All payments required by this Agreement to Franchisor, its affiliates, and/or the Call Center & Brand Fund must be made by the method or methods that Franchisor specifies from time to time, which may include, without limitation, payment by deduction from customer payments as specified in **Section 3.8** (if Franchisor handles collection of customer fees on Franchisees' behalf), payment via wire transfer or electronic debit to Franchisee's bank account. Franchisee must furnish Franchisor and Franchisee's bank with all authorizations necessary to effect payment by the methods Franchisor specifies.

(c) Franchisee expressly acknowledges and agrees that Franchisee's obligations for the full and timely payment of Royalty Fees, Call Center & Brand Fund Contributions (as defined in **Section 10.1.2**) and/or Market Cooperative Contributions (as defined in **Section 10.1.2**), if any, and all other amounts provided for in this Agreement, shall be absolute and unconditional. Franchisee shall not for any reason delay or withhold the payment of all or any part of those or any other payments due hereunder, put the same in escrow or setoff the same against any claims or alleged claims Franchisee may allege against Franchisor, the Call Center & Brand Fund, a Market Cooperative or others. Franchisee shall not, on grounds of any alleged nonperformance by Franchisor or others, withhold payment of any fee, including without limitation Royalty Fees, Call Center & Brand Fund Contributions or Market Cooperative Contributions, nor withhold or delay submission of any reports due hereunder.

5.3. Shared Fees. Franchisor may directly purchase supplies, inventory, software, equipment and goods and services on behalf of System franchisees from third parties if Franchisor determines in its discretion that such purchases are more economical, convenient or otherwise beneficial to the System. If it does, Franchisee agrees to pay Franchisor for its pro rata share of such items.

5.4. Overdue Payments and Reports. Any payment or report not actually received by Franchisor on or before the date such payment or report is due shall be deemed overdue. If any payment or required report is overdue, Franchisee shall pay Franchisor, in addition to the overdue amount, a late payment/late report charge of $250 for each month (or part thereof) that the payment or report is late, and interest on such amount from the date it was due until paid, at the rate of 1.5% per month, or the maximum rate permitted by law, whichever is less. Entitlement to such late fee and interest shall be in addition to any other remedies Franchisor may have.

5.5. Payments on Behalf of Franchisee. Franchisee shall pay to Franchisor, within 15 days after any written request by Franchisor which is accompanied by reasonable substantiating material, any monies which Franchisor has paid, or has become obligated to pay, on behalf of Franchisee, by consent or otherwise under this Agreement.

5.6. Set-Off. Franchisor may offset or deduct from amounts that it owes to Franchisee amounts that Franchisee owes to Franchisor or any of its affiliates. Franchisor may apply any payments Franchisee makes in any way Franchisor chooses, including to any past due indebtedness.

6. FRANCHISEE'S DUTIES

6.1. Franchise Location. Franchisor has the right, in its sole discretion, at any time prior to or after commencing operations, to require Franchisee to locate and construct a Franchise Location from which the Franchise will operate at its expense. If Franchisee is required by Franchisor to have a Franchise Location, or if Franchisee deems it necessary or desirable to have a Franchise Location prior to opening, Franchisee must obtain a suitable site for the Franchise Location in the Territory and commence operating at such Franchise Location within six months after the Effective Date. If, after opening, Franchisor requires Franchisee to have a Franchise Location, Franchisee must, at its expense, obtain a suitable site for the Franchise Location in the Territory and commence operating at such Franchise Location within six months after Franchisee has been notified of the requirement. If Franchisee will have a Franchise Location, Franchisee shall lease, sublease, or acquire a suitable site for the Franchise Location within the Territory, and Franchisee acknowledges that Franchisor may refuse to accept a proposed site for any reason. A site is not approved until Franchisee has received Franchisor's approval in writing. If Franchisee will have a Franchise Location, then the following provisions shall apply:

(a) Franchisee shall submit to Franchisor, in the form specified by Franchisor, such site approval forms and data that Franchisor may reasonably require, together with an option contract, letter of intent or other evidence satisfactory to Franchisor which confirms Franchisee's favorable prospects for obtaining the site. Franchisee shall submit such site approval forms and data to Franchisor in sufficient time to permit Franchisor to evaluate the plans, and, if necessary (as determined in Franchisor's sole discretion), visit the proposed site, so that Franchisor may approve or disapprove the site by, and so that Franchisee may, if necessary, locate an alternate site and have it approved by Franchisor, and secure the approved site, by the end of the six-month period described in **Section 5.1**. Franchisor shall have 15 days after receipt of a complete site selection package, request for approval, and such information and materials as Franchisor may request, to approve or disapprove, in its sole discretion, the proposed site as the Franchise Location. If Franchisor does not approve a proposed site by written notice to Franchisee within said 15 days, such site shall be deemed disapproved by Franchisor. Approval by Franchisor of the site indicates only that Franchisor believes the site complies with acceptable minimum criteria established by Franchisor solely for its purposes as of the time of the evaluation. Franchisee further acknowledges and agrees that its acceptance of the site is based on its own independent investigation of the suitability of the site. It is solely Franchisee's responsibility to select a Franchise Location. **FRANCHISEE ACKNOWLEDGES AND AGREES THAT FRANCHISOR'S APPROVAL OF A PROPOSED SITE IS NOT A WARRANTY OR REPRESENTATION OF ANY KIND AS TO THE POTENTIAL SUCCESS OR PROFITABILITY OF THE FRANCHISE.**

(b) Before Franchisee makes a binding commitment to lease, sublease or purchase a site, Franchisor must approve the location in writing and approve in writing the proposed lease for the location (the "**Lease**") or purchase agreement or any letter of intent between Franchisee and the third-party seller or lessor. If Franchisee leases the approved Franchise Location, unless Franchisor waives the requirement in writing, Franchisee must arrange for the execution of the Lease Rider in the form of **Attachment 1** by Franchisee and its landlord in connection with any Lease for the approved Franchise Location and any other provisions that Franchisor may reasonably require. Franchisee must deliver to Franchisor the completely executed purchase agreement or Lease and Lease Rider within 10 days after execution of the Lease or purchase agreement. Franchisee must comply with the terms and

conditions of the Lease for the approved Franchise Location. Franchisor is not obligated to execute Franchisee's Lease or guarantee a Lease for Franchisee.

(c) Before commencing construction of the Franchise Location, Franchisee, at its expense, shall comply, to Franchisor's satisfaction, with all the following requirements:

6.1.c.1. Franchisee shall comply, at Franchisee's expense, with all federal, state and local laws, codes and regulations, including, without limitation, the applicable provisions of the American with Disabilities Act (as amended, the "**ADA**") regarding the construction and design of the Franchise Location.

6.1.c.2. If so requested by Franchisor, Franchisee shall submit to Franchisor, for Franchisor's approval, final plans for construction based upon the preliminary plans and specifications. Franchisor shall not review, nor shall any approval be deemed to include, approval or acceptance of Franchisee's compliance with federal, state, or local laws and regulations, including the ADA. Once approved by Franchisor, such final plans shall not thereafter be changed or modified without the prior written permission of Franchisor.

6.1.c.3. Franchisee shall obtain all permits and certifications required for the lawful construction of the Franchise Location. Franchisee shall be responsible for obtaining all zoning classifications and clearances which may be required by state or local laws, ordinances, or regulations or which may be necessary or advisable owing to any restrictive covenants relating to the Franchise Location.

6.1.c.4. Franchisee shall employ a qualified licensed general contractor who is acceptable to Franchisor to construct the Franchise Location and to complete all improvements. Franchisee shall obtain and maintain in force during the entire period of construction the insurance required under **Article 11**. Franchisee shall deliver to Franchisor such proof of such insurance as Franchisor shall require.

6.1.c.5. During the construction of the Franchise Location, Franchisee will permit Franchisor to make such on-site inspections of the Franchise Location as Franchisor determines appropriate to evaluate the construction or remodeling of the Franchise Location for compliance with Franchisor's requirements. Prior to opening for business, Franchisee shall comply with all preopening requirements set forth in this Agreement, the Manuals, and/or elsewhere in writing by Franchisor.

6.1.c.6. Within 30 days after the opening of the Franchise Location, Franchisee shall provide to Franchisor a full breakdown of all costs associated with the development and construction of the Franchise Location if so requested by Franchisor.

(d) Franchisee shall use the Franchise Location solely for the operation of the Franchise; shall keep the Franchise open and in normal operation for such hours and days as Franchisor may from time to time specify in the Manuals or as Franchisor may otherwise approve in writing; and shall refrain from using or permitting the use of the Franchise Location for any other purpose or activity at any time. As used in this Section, the term Franchise Location shall include the grounds surrounding the Franchise Location.

(e) Franchisee shall at all times maintain the Franchise Location in a high degree of sanitation, repair, and condition, and in connection therewith shall make such additions, alterations, repairs, and replacements thereto (but no others without Franchisor's prior written consent) as may be required for that purpose, including, without limitation, such periodic

repainting or replacement of obsolete signs, furnishings, equipment, and decor as Franchisor may reasonably direct. If at any time in Franchisor's judgment the general state of repair or the appearance of the Franchise Location or its equipment, fixtures, signs or decor does not meet Franchisor's quality control and standards therefor, Franchisor shall so notify Franchisee, specifying the action to be taken by Franchisee to correct such deficiency. If Franchisee fails or refuses to initiate, within 30 days after receipt of such notice, and thereafter diligently continue a bona fide program to complete any required maintenance, Franchisor shall have the right, in addition to all other remedies, to enter upon the Franchise Location and effect such repairs, painting, maintenance or replacements of equipment, fixtures or signs on behalf of Franchisee, and Franchisee shall pay the entire costs thereof on demand.

(f) In addition to the maintenance obligations set forth above, Franchisee shall, at its expense, undertake such periodic and ongoing remodeling and upgrading of the Franchise Location, and the furniture, fixtures, equipment, décor, signage and trade dress of the Franchise Location, as required by Franchisor to cause the Franchise Location building design, exterior facade, trade dress, signage, fixtures, furnishings, equipment, decor, color schemes, and presentation of the Marks to be consistent with the then-current standards. Such remodeling and refurbishment may include structural changes, installation of new equipment and signs, remodeling, redecoration, and modifications to existing improvements, and, shall be completed to Franchisor's satisfaction pursuant to such standards, specifications, and deadlines as Franchisor may specify.

(g) Franchisee may not relocate its Franchise Location unless it receives Franchisor's prior written approval. Franchisee's relocation will be at its expense and Franchisor has the right to charge Franchisee for all reasonable costs and expenses it incurs to approve and implement the relocation.

6.2. Vehicles

(a) Franchisee shall obtain an adequate number of Vehicles that is sufficient to meet anticipated customer demands for Services in the Territory. Franchisee shall ensure that its Vehicles are clean and in proper working order.

(b) Each Vehicle consists of a flat-bed chassis, along with certain proprietary equipment, including a wash box and belts, pumps, sprayers, and other items that are located within the wash box (the "**Krystal Klean Proprietary Box and Equipment**").

(c) The Krystal Klean Proprietary Box and Equipment must be purchased from Franchisor and installed by Franchisor in accordance with Franchisor's standards and requirements pursuant to the terms of an Equipment Sale Agreement.

(d) Each flat-bed chassis may be purchased from any source if it meets Franchisors specifications. Prior to Franchisee purchasing any flat-bed chassis to be used in the Franchise, Franchisee shall submit to Franchisor, in a form specified by Franchisor, information regarding the specifications of the flat-bed chassis as Franchisor may reasonably require. Franchisee may not purchase any flat-bed chassis to be used as a Vehicle unless and until it has received Franchisor's prior approval.

(e) If the Franchise is not operated from a Franchise Location, Franchisee will make arrangements to store the Vehicle(s) used in the operation of the Franchise in compliance with all applicable state and local laws and other restrictions.

(f) Franchisee shall at all times maintain the Vehicles in a high degree of repair and condition, and, in connection therewith, shall make such repairs, replacements, updating and refurbishment thereto as may be required for that purpose, including, without limitation, such periodic repainting, replacement of equipment and parts or installation or refurbishment of signage or branding as Franchisor may reasonably direct and pursuant to such standards, specifications and deadlines as Franchisor may specify.

6.3. Pre-Opening Obligations. Franchisee shall comply with all preopening requirements set forth in this Agreement, the Manuals, and/or elsewhere in writing by Franchisor. In addition, before opening:

(a) Franchisee shall comply, at Franchisee's expense, with all federal, state and local laws, codes and regulations.

(b) Franchisee shall obtain all licenses, permits, and certifications required for the operation of the Franchise within the Territory, the parking and/or storage of Vehicles in the Territory and wash water disposal. Franchisee shall deliver to Franchisor proof of such compliance with applicable licensing, permitting and certification requirements as Franchisor shall require prior to opening and, thereafter, within 14 days after Franchisor's request.

(c) Franchisee shall provide at least 14 days' prior notice to Franchisor of the date on which Franchisee proposes to first open the Franchise for business.

(d) If the Franchise will operate from a Franchise Location, Franchisor shall have determined that all construction has been substantially completed, and that such construction conforms to Franchisor's standards, and Franchisor has given Franchisee written approval to open, which approval shall not be unreasonably withheld.

(e) Franchisee has obtained a sufficient number of Vehicles in compliance with **Section 5.2**.

(f) The Operating Principal and Manager have successfully completed all initial certification program(s) required by Franchisor.

6.4. Opening. Franchisee shall open the Franchise within four months after the Effective Date if Franchisee will not operate the Franchise from a Franchise Location, or, within six months after the Effective Date if Franchisee will commence operations of the Franchise from a Franchise Location pursuant to **Section 5.1**.

6.5. Management and Certification. Franchisee must appoint an individual owner as its "**Operating Principal**" who has at least a 20% equity interest in Franchisee, must have authority over all business decisions related to the Franchise, and must have the power to bind Franchisee in all dealings with Franchisor. The Operating Principal is specified on the Summary Page. Franchisee must also appoint a manager to manage the day-to-day business of the Franchise (the "**Manager**"). Franchisee's Operating Principal may serve as its Manager, unless Franchisor believes that he or she does not have sufficient experience. Franchisee must provide Franchisor with written notice of its Manager at least 14 days before the start of the initial certification program. Prior to the opening of the Franchise, the Manager and the Operating Principal must attend and successfully complete, to Franchisor's satisfaction, the initial certification program offered by Franchisor, pursuant to **Section 3.2**. If Franchisor determines, in its sole discretion, that the Operating Principal or Manager is unable to satisfactorily complete any phase of the initial certification program, Franchisor shall have the right to: (i) require the Operating Principal or Manager, as the case may be, to attend such additional certification

programs as Franchisor may require, at Franchisee's expense; or (ii) terminate this Agreement, in which event neither Franchisor nor Franchisee shall have any further rights or obligations hereunder. If Franchisor terminates this Agreement pursuant to the prior sentence, Franchisor shall refund a portion of the Initial Franchise Fee as provided in **Section 4.1**. The daily operations of the Franchise are at all times required to be supervised under the active full-time management of the Manager who has successfully completed Franchisor's initial certification program.

(a) If the Manager ceases active management of the Franchise or in the event the Operating Principal is changed or is no longer a 20% equity owner of the Franchisee, Franchisee must hire a new Manager or appoint a new Operating Principal (as the case may be), who must be approved in writing by Franchisor, within 30 days. The new Manager or Operating Principal must undergo a certification program that is prescribed by Franchisor, which may include instruction at the Franchise, another Franchise or such other place as Franchisor shall designate. All expenses incurred by the new Manager or Operating Principal in attending such program including, without limitation, TLM and salaries and other benefits of Franchisee's attendees, shall be the sole responsibility of Franchisee. In addition, Franchisee shall: (a) pay Franchisor's then-current certification program fees; and (b) reimburse Franchisor for its out-of-pocket expenses, including without limitation, its personnel's reasonable TLM. If Franchisor determines, in its sole discretion, that the new Manager or Operating Principal is unable to satisfactorily complete the certification program, Franchisor shall have the right to: (i) require the new Manager or Operating Principal, as applicable, to attend such refresher or additional certification programs, at Franchisee's expense, so as to demonstrate his or her ability to operate the Franchise to Franchisor's satisfaction; or (ii) require Franchisee to promptly hire a replacement New Manager or appoint a new Operating Principal among its equity owners (who must have at least 20% equity ownership) who shall be required to undergo the certification programs contemplated by this Section.

(b) Franchisor from time to time may provide and, if it does, may require that the Operating Principal or Manager attend and successfully complete refresher certification programs or seminars to be conducted at such location as may be designated by Franchisor. All expenses incurred by Franchisee in attending such program including, without limitation, TLM and salaries and benefits, shall be the sole responsibility of Franchisee.

(c) If Franchisee requests that Franchisor provide on-site certification instruction, in addition to the opening assistance described in **Section 3.4**, and Franchisor is able to do so, then Franchisee agrees that it shall pay Franchisor's then-current per diem charges and out-of-pocket expenses, which shall be as set forth in the Manuals or otherwise in writing.

6.6. Personnel. Under no circumstances shall Franchisee's personnel be deemed Franchisor's employees. Franchisee acknowledges that it is the sole employer of the employees of the Franchise, and it is solely responsible for all labor relations and employment practices in the Franchise. Franchisee acknowledges that Franchisor does not dictate or control labor or employment matters for Franchisee and its employees. Any materials, guidance, and assistance that Franchisor may provide with respect to employment-related policies and procedures, whether in the Manuals or otherwise, are solely for Franchisee's optional use. Franchisee will determine to what extent, if any, these materials, guidance or assistance should be applied to its employees. Franchisee agrees to indemnify and hold Franchisor harmless from any and all liability, including costs, attorney's fees or other damages which result directly or indirectly from Franchisee's employees and independent contractors being deemed Franchisor's employees or any other matter.

6.7. Equipment Upgrades. Franchisee shall make, from time to time, such upgrades and other changes to the equipment utilized in the Franchise (including without limitation the Technology System) as Franchisor may request in writing (collectively, "**Equipment Upgrades**"). Franchisor shall have the right to require any Equipment Upgrades it deems necessary for the Franchise.

6.8. Standards and Specifications. To ensure that the highest degree of quality and service is maintained, Franchisee shall operate the Franchise in strict conformity with such methods, standards, and specifications as Franchisor may from time to time prescribe in the Manuals or otherwise in writing (as used in this Agreement, Franchisor's "**standards**", "**requirements**", "**specifications**" or "**Brand Standards**"). At a minimum, the Brand Standards shall include:

(a) offering and selling at all times such services that conform to Franchisor's written standards and specifications and refraining from deviating therefrom by the use or offer of any nonconforming services without Franchisor's specific prior written consent;

(b) maintaining in sufficient supply, using, offering and selling only such products, supplies, materials, and goods that conform to Franchisor's written standards and specifications, and refraining from deviating therefrom by the use or offer of any nonconforming products without Franchisor's specific prior written consent;

(c) offering and selling only such services and products as have been expressly approved for sale in writing by Franchisor;

(d) offering all products and services as Franchisor may specify from time to time as required offerings at the Franchise;

(e) refraining from any deviation from Franchisor's standards, without Franchisor's prior written consent. If Franchisee deviates or proposes to deviate from Franchisor's standards, whether or not such deviation is approved by Franchisor, such deviation shall become the property of Franchisor;

(f) discontinuing the sale of any services or products which Franchisor has disapproved, in writing, at any time;

(g) operating the Franchise in compliance with all applicable laws and regulations;

(h) requirements relating to response times for communications and attending regular teleconferences and meetings;

(i) requirements relating to response times for customer communications including customer service inquiries and complaints;

(j) warranties and customer service standards;

(k) requirements relating to billing and collection practices;

(l) offering and selling the services and products in accordance with any minimum, maximum, and/or specific prices that Franchisor may determine from time to time (except to the extent determination of prices by Franchisor is limited or prohibited by applicable law); and

(m) requirements relating to the establishment and maintenance of customer accounts, customer communications, and contract fulfillment, including, without limitation, requirements relating to vendor set-up procedures; insurance; financial credibility and statements; credit and vendor references; bonding; everifications; bidding processes and procedures; bidding forms and estimates; compliance (EMR/OSHA); training; SDS sheets; minority relationship and requirements related to Franchisee's funding of certain participation goals; customer/commercial references; staff resumes and resources; operational and reporting requirements, any of which may be updated or revised from time to time by Franchisor (by the Manuals or otherwise). Franchisee specifically acknowledges and agrees that Franchisor may require that Franchisor be the primary party to the contract with a customer and other specified customers from time to time, and may require that customers exclusively make payment to Franchisor prior to disbursement to Franchisee after deduction of royalties, minority funding and other customer contract requirements, and other amounts owed to Franchisor pursuant to this Agreement or otherwise.

To the extent any of the standards, or other resources in the Manuals, address personnel or employment matters, such standards are not mandatory but are merely recommendations, suggestions or guidelines. System standards do not include any mandatory requirements on Franchisee's employees' wages, working conditions, hours, staffing levels, shift timing or other terms of employment; but may specify uniforms and appearance to meet Brand Standards.

Franchisee understands and acknowledges that every Brand Standard is important to Franchisor and other franchisees to develop and maintain high operating standards, to increase the demand for the Services sold by all franchisees, and to protect Franchisor's reputation and goodwill.

6.9. Non-Compliance. If Franchisee violates a Brand Standard and fails to bring the Franchise into compliance with such Brand Standard within 10 days after Franchisor has delivered to Franchisee written notice of the violation, Franchisee shall pay to Franchisor upon demand an amount designated by Franchisor that is up to $100 for each day that Franchisee is not in compliance with the relevant Brand Standard. Franchisor's right to charge these amounts is in addition to any other remedy provided under this Agreement, including under **Article 13**. Franchisor's damages from Franchisee's failure to comply with this Section may include loss of good will and other damages and are difficult to measure and quantify; such amount is, therefore, a reasonable approximation of damages, and not a penalty.

6.10. Suppliers and Sourcing Requirements. Franchisor has the right to require that services and products offered by Franchisee, and services, products and equipment used by Franchisee in the establishment and operation of the Franchise: (a) meet specifications that Franchisor establishes from time to time; and/or (b) be purchased only from manufacturers, vendors, distributors, and other suppliers that Franchisor has expressly approved; and/or (c) be purchased only from a single source (which may include Franchisor or its affiliates). To the extent that Franchisor establishes specifications, requires approval of suppliers, or designates specific suppliers for particular items, Franchisor will notify Franchisee via the Manuals or otherwise in writing. In determining whether Franchisor will approve any particular supplier, Franchisor shall consider various factors, including whether the supplier can demonstrate, to Franchisor's continuing reasonable satisfaction, the ability to meet Franchisor's then current standards and specifications for such items; and that it possesses adequate quality controls and capacity to supply Franchisee's needs promptly and reliably such that it would enable the System, in Franchisor's sole opinion, to take advantage of marketplace efficiencies. Franchisor may revoke the approval of any supplier that has been previously approved. Under this Agreement, the term

"**supplier**" shall include, but not be limited to, manufacturers, distributors, resellers, and other vendors.

(a) If Franchisee wishes to purchase any services, products, equipment or any items that Franchisor has not approved or to purchase from an unapproved supplier, Franchisee shall first submit to Franchisor a written request for such approval. Franchisee shall not purchase any products or services or make purchases from any supplier until, and unless, such item or supplier has been approved in writing by Franchisor. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered, either to Franchisor or to an independent laboratory designated by Franchisor for testing or evaluation. Franchisor may require that Franchisee or supplier pay a fee not to exceed $3,000 for such testing or evaluation. Franchisor may also require that the supplier comply with such other requirements as Franchisor may deem appropriate, including payment of reasonable continuing inspection/evaluation fees and administrative costs. Franchisor reserves the right, at its option, to reinspect from time to time the facilities and products or equipment of any such approved supplier and to revoke its approval of any item or supplier upon the item's or supplier's failure to continue to meet any of Franchisor's then current criteria.

(b) Franchisee acknowledges and agrees that Franchisor may collect and retain all manufacturing allowances, marketing allowances, rebates, credits, monies, payments or benefits (collectively, "**Allowances**") offered by suppliers to Franchisee or to Franchisor or its affiliates based upon Franchisee's purchases of products, equipment and other goods and services. Franchisee assigns to Franchisor or its designee all of Franchisee's right, title and interest in and to any and all such Allowances and authorizes Franchisor or its designee to collect and retain any or all such Allowances without restriction (unless otherwise instructed by the supplier). Franchisor may, in its sole discretion, utilize some or all the Allowances for System-wide marketing, other brand enhancement activities or specific required or local area marketing, and such Allowance monies may be deposited into the Call Center & Brand Fund for future use and expenditures by the Call Center & Brand Fund.

(c) Compliance with laws regarding the chemicals, products and other supplies that Franchisee uses in its Franchise is Franchisee's sole responsibility. Franchisor makes no warranty or representation that chemicals, products and other supplies that it recommends, approves or requires comply with applicable laws in Franchisee's jurisdiction. Franchisee must notify Franchisor in writing immediately if any recommended, approved or required chemical, product or supply is subject to regulation or laws in Franchisee's jurisdiction. Franchisor will cooperate with Franchisee in identifying substitute chemicals, products or supplies, as appropriate.

6.11. Inspections. Franchisee grants Franchisor and its agents the right to enter upon the Franchise Location or attend and monitor Franchisee while performing services for customers at any time for the purpose of conducting inspections, for among other purposes, preserving the validity of the Marks and verifying Franchisee's compliance with the Brand Standards. Franchisee shall cooperate with Franchisor's representatives in such inspections by rendering such assistance as they may reasonably request; and, upon notice from Franchisor or its agents and without limiting Franchisor's other rights under this Agreement, Franchisee shall take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection. Franchisee shall reimburse Franchisor for the TLM incurred by Franchisor's representatives for all inspections including subsequent inspections to ensure all deficiencies have been corrected. Should Franchisee, for any reason, fail to correct such deficiencies within a reasonable time as determined by Franchisor, Franchisor shall have the right, but not the

obligation, to correct any deficiencies which may be susceptible to correction by Franchisor and to charge Franchisee for Franchisor's actual expenses in taking such actions, payable by Franchisee upon demand. The foregoing shall be in addition to such other remedies Franchisor may have.

6.12. Technology System. At Franchisor's request, Franchisee shall purchase or lease, and thereafter maintain, the Technology System. Franchisor shall have the right at any time to retrieve and use such data and information from Franchisee's Technology System that Franchisor deems necessary or desirable, including, without limitation, the uses identified in **Section 9.5**, and Franchisee agrees to do all things necessary to provide such access. Franchisee expressly agrees that it shall strictly comply with Franchisor's standards and specifications for all item(s) associated with the Technology System and will otherwise operate its Technology System in accordance with Franchisor's standards and specifications. Franchisee agrees it shall keep its Technology System in good maintenance and repair, at its expense, and shall promptly install such additions, changes, modifications, substitutions and/or replacement to the Technology System as Franchisor directs periodically in writing. Franchisee shall provide to Franchisor, upon Franchisor's request, all email lists and customer lists used or maintained by Franchisee on the Technology System or elsewhere. Franchisee must execute and pay any fees associated with any software license agreements or any related software maintenance agreements that Franchisor or the licensor of the Required Software require. Franchisee must comply with all laws and payment card provider standards relating to the security of the Technology System, including, without limitation, the Payment Card Industry Data Security Standards. Franchisee may not use any cash registers, POS systems or computer systems in the Franchise without Franchisor's express written consent.

6.13. Use of Artificial Intelligence. Franchisee will not, without Franchisor's prior written consent, utilize any generative artificial intelligence software, tools, or technologies, including, natural language processing, deep learning algorithms, or machine learning models (collectively, **"Generative AI"**) directly or indirectly in the operation of the Franchise, including without limitation, in advertising, promotion, or marketing of the Franchise, communications with customers, business planning, analysis or optimization, or in any social media. Franchisee acknowledges and agrees not to upload or share any Confidential Information (including any inputs of information containing trade secrets, sensitive confidential information or personal information) with any unapproved third-party platforms, including Generative AI, except as authorized in writing by Franchisor. In addition, Franchisee will prohibit its employees from using any Confidential Information in Generative AI. If Franchisee utilizes any Generative AI, with or without Franchisor's prior approval, Franchisee must comply with all laws applicable to such use, including without limitation, all trademark, copyright, and biometric laws, and must not infringe upon the intellectual property of a third party, or use such intellectual property without appropriate authorization and attribution.

6.14. Uniform Attire. To promote a uniform System image, Franchisee shall require all personnel to dress during business hours in the attire specified in the Manuals.

6.15. Participation in Promotions and Incentive Programs. Franchisee shall participate in promotional and incentive programs developed by Franchisor for the System, in the manner directed by Franchisor in the Manuals or otherwise in writing. Such programs may require that Franchisee offer services and products at a discount.

6.16. Franchisee Advisory Council. Franchisor may establish an advisory council comprised of Franchisees for the purpose of fostering communication among and

between franchisees and Franchisor, as well as to establish, modify or discuss various policies applicable to Franchise businesses operating under the System (the "**Franchisee Advisory Council**"). If Franchisor establishes the Franchisee Advisory Council, Franchisee may be required to become a member of the Franchisee Advisory Council and participate in Franchisee Advisory Council meetings and programs as Franchisor shall designate. Franchisor will not assess fees or dues for participation in or on the Franchisee Advisory Council, but Franchisee may be required to pay dues to the Franchisee Advisory Council if the Franchisee Advisory Council, which is controlled by franchisees, determines that fees shall be assessed. Franchisee may be required to pay all costs and expenses incurred in connection with participation in the Franchisee Advisory Council including, without limitation, the costs of transportation, lodging, and meals.

6.17. Franchisee Structure. Except as otherwise approved in writing by Franchisor, if Franchisee is a corporation, partnership, limited partnership or limited liability company it shall: (i) confine its activities, and its governing documents shall at all times provide that its activities are confined, exclusively to operating the Franchise; (ii) furnish Franchisor with a copy of its formation and governing documents, as well as such other documents as Franchisor may reasonably request, and any amendment thereto; (iii) maintain stop transfer instructions on its records against the transfer of any equity in Franchisee and shall only issue equity upon the face of which a legend, in a form satisfactory to Franchisor, appears which references the transfer restrictions imposed by this Agreement; (iv) not issue any equity or equity convertible into equity without Franchisor approval; and (v) maintain a current list of all owners of record and all beneficial owners Franchisee and furnish the list to Franchisor upon request, which list shall be amended to reflect changes in ownership, as permitted under this Agreement.

6.18. Guarantee of Performance. Each present and future equity owner shall jointly and severally guarantee Franchisee's performance of each provision of this Agreement by executing the Guarantee, Indemnification and Acknowledgment in the form attached to this Agreement as **Attachment 2**. In addition, Franchisor may require that the spouse (or domestic partner or other immediate family member) of an owner of Franchisee sign the Guarantee, Indemnification and Acknowledgment.

6.19. System Modifications. Franchisee acknowledges and agrees that from time-to-time hereafter Franchisor may change or modify the System as Franchisor deems appropriate, including, without limitation, to reflect the changing market and/or to meet new and changing consumer demands, and that variations and additions to the System may be required from time to time to preserve and enhance the public image of the System and operations of Franchises. Franchisor's changes to the System may include, without limitation, the adoption and use of new or modified products, services, and equipment, the discontinuance of current products, services, and equipment and new techniques and methodologies relating to the sale, promotion and marketing of products and services, and new or substitute trademarks, service marks and copyrighted materials. Franchisee shall, upon reasonable notice, accept, implement, use and display in the operation of the Franchise any such changes in the System, as if they were part of this Agreement at the time of execution hereof, at Franchisee's sole expense. Additionally, Franchisor reserves the right, in its sole discretion, to vary the standards throughout the System, as well as the services and assistance that Franchisor may provide to some franchisees based upon the peculiarities of a particular site or circumstance, existing business practices, or other factors that Franchisor deems to be important to the operation of any Franchise or the System.

6.20. Third-Party Management. The Franchise must be operated under the control and supervision of Franchisee (or, if an entity, the Operating Principal) or its Manager. Franchisee shall not, without the prior written approval of Franchisor, which may be denied for

any reason or no reason at all, hire or retain a management company, manager (other than an employee manager trained and approved by Franchisor), or third party to undertake any of the management or operational functions of the Franchise.

6.21. National Accounts. Franchisor reserves for itself and its affiliates the exclusive right to solicit, negotiate, and enter into agreements for accounts ("**National Accounts**") with National Account Customers. A "**National Account Customer**" includes a customer that (i) is operated from two or more offices or facilities ("**National Account Facilities**") that are not exclusively located within a single Krystal Klean franchisee or corporate-owned business' protected territory; and (ii) enters an agreement with Franchisor, or its affiliate, for Services to be performed at one or more of those National Account Facilities. For avoidance of doubt, the following accounts may be considered National Account Customers if they meet the definition of a National Account Customer provided in the prior sentence (a) customers of Franchisor's affiliate, Kept Companies, Inc. (**"Kept Co."**) for which Franchisee performs Services under the Kept Co. Services Program (the "**Kept Co. Service Program**"). Each such account is referred to herein as a "**Kept Co. Service Program Account**"; and (b) Transferred Accounts acquired by Franchisee under an Account Transfer Agreement (the current form of which is attached as Exhibit E to Franchisor's current Franchise Disclosure Document) or under a Company-Owned Business Purchase Agreement with Franchisor (the current form of which is attached as Exhibit F to Franchisor's current Franchise Disclosure Document). An account with a customer that is not a National Account Customer on the Effective Date may become a National Account if the customer subsequently satisfies the definition of a National Account Customer. Further, once a customer is considered a National Account Customer, no change in the location or number of its offices or facilities alters its status as a National Account Customer.

(a) Franchisor and/or its affiliates alone shall negotiate and establish the terms and pricing for all National Account Customers. In addition, if Franchisee elects to perform Services under the Kept Co. Service Program, it shall do so on pricing and other terms as agreed upon between Kept Co. and Franchisee.

(b) For National Account Customers that have National Account Facilities in the Territory (each such facility, an "**In-Territory Facility**"), Franchisor may offer Franchisee the opportunity to provide Services for the In-Territory Facility or may perform such Services itself or designate another franchisee or third party to perform such Services. If Franchisor offers Franchisee the opportunity to provide Services for the In-Territory Facility, Franchisee alone shall determine whether to accept such account and once accepted, Franchisee agrees to perform the Services on the pricing and other terms as agreed upon between Franchisor and the National Account Customer.

(c) Franchisor may, at any time, at its option, with or without cause, discontinue Franchisee's provision of Services for a National Account Customer and, thereafter, perform such Services itself or designate another franchisee or third party to perform the Services.

(d) Notwithstanding anything to the contrary contained herein, (i) if the National Account is a Transferred Account, Franchisee may lose the right to provide Services to such Transferred Account only as provided in the Account Transfer Agreement (the current form of which is attached to Franchisor's current Franchise Disclosure Document) or under a Company-Owned Business Purchase Agreement with Franchisor (the current form of which is attached to Franchisor's current Franchise Disclosure Document) between Franchisee and Franchisor; and (ii) if the National Account is a Kept Co. Service Program Account, Franchisee

may lose the right to provide Services to such Kept Co. Service Program Account only as provided in the agreement between Franchisee and Kept Co.

(e) Franchisor (or Kept Co., as applicable) alone may invoice and collect fees and payments due from National Account Customers. Kept Co. alone may invoice and collect fees and payments due from Kept Co. Service Program Accounts. In addition, payments from Kept Co. for Kept Co. Service Program Accounts shall be billed by Franchisor to Kept Co. Franchisee agrees that it will not engage in any billing and collection activities for National Accounts.

(f) In addition to Royalties and other amounts due hereunder based on Gross Revenue, Franchisee shall pay to Franchisor a national accounts support fee on all Gross Revenue earned by Franchisee from National Account Customers ("**National Account Revenue**") that is 5% of the aggregate of all National Accounts Revenue (a "**National Accounts Support Fee**"). Such amount may be deducted from National Account Revenue collected by Franchisor or, at Franchisor's option, paid by Franchisee to Franchisor under **Section 4.2.2**.

(g) Notwithstanding anything to the contrary contained herein or in any other agreement, all National Accounts are, and during and after the term of this Agreement remain, Franchisor's or Kept Co.'s exclusive property, as the case may be. Each of Franchisor's and/or Kept Co.'s relationships with National Account Customers are among Franchisor's and/or Kept Co.'s most valuable assets. Accordingly, any interference with those relationships by Franchisee constitutes tortious interference with a commercial relationship.

6.22. Minimum Performance Criteria. Franchisee must meet or exceed the following minimum performance criteria (the "**Minimum Performance Criteria**") during each 12-month period during the term of this Agreement commencing on the first of the month after 24 months from the Effective Date (each such 12-month period is referred to herein as a "**Performance Year**").

(a) During the first Performance Year, Franchisee's average weekly Gross Revenue invoiced for Services performed by Franchisee, after deducting Gross Revenue invoiced with respect to Kept Co. Service Program Accounts, must equal or exceed $4 per each 1,000 people residing in the Territory;

(b) During the second Performance Year, Franchisee's average weekly Gross Revenue invoiced for Services performed by Franchisee, after deducting Gross Revenue invoiced with respect to Kept Co. Service Program Accounts, must equal or exceed $5 per each 1,000 people residing in the Territory;

(c) During the third Performance Year, Franchisee's average weekly Gross Revenue invoiced for Services performed by Franchisee, after deducting Gross Revenue invoiced with respect to Kept Co. Service Program Accounts, must equal or exceed $6 per each 1,000 people residing in the Territory;

(d) During the fourth Performance Year, Franchisee's average weekly Gross Revenue invoiced for Services performed by Franchisee, after deducting Gross Revenue invoiced with respect to Kept Co. Service Program Accounts, must equal or exceed $7 per each 1,000 people residing in the Territory; and

(e) During the fifth Performance Year and for each full remaining Performance Year during the term, Franchisee's average weekly Gross Revenue invoiced for Services performed by Franchisee, after deducting Gross Revenue invoiced with respect to Kept

Co. Service Program Accounts, must equal or exceed $8 per each 1,000 people residing in the Territory.

The number of people residing in the Territory for purposes of this Section shall be determined in accordance with the last report from the U.S. Census Bureau's Population and Housing Bureau (the "**Bureau**") at the beginning of the relevant Performance Year; provided, however, if the Bureau no longer prepares population reports for the Territory, a comparable population index that is reasonably acceptable to Franchisor shall be substituted therefor. During each year of the term, Franchisor reserves the right to increase the minimum dollar value per each 1,000 in population by the first day of the applicable Performance Year by the yearly percentage increase in the United States Department of Labor, Bureau of Labor Statistics, Washington, D.C. — Consumer Price Index for All Urban Customers seasonally adjusted U.S. city average: All items (1982-1984 = 100) as periodically published (the "**CPI**"), or if such CPI shall be discontinued, then any other comparable or similar index as shall be periodically published by the United States Department of Labor or any other Department or Division of the United States Government. The "yearly percentages increase" of the CPI is the percentage by which the CPI for September of the current year exceeds the CPI for September of the prior year.

6.23. Conferences and Meetings. Franchisee shall cause its Operating Principal and other management personnel designated by Franchisor to attend all mandatory in-person meetings and remote meetings (such as telephone or video conference calls) and the Krystal Klean annual brand convention. Franchisor may charge Franchisee the attendance fee for Krystal Klean's annual brand convention regardless of whether Franchisee attends such annual brand convention. Franchisee is responsible for all of its attendees' TLM incurred attending any such meeting or convention. Franchisee shall not permit the Operating Principal to fail to attend any annual brand convention or more than two consecutive required in-person or remote meetings.

7. PROPRIETARY MARKS

7.1. Ownership of the Marks. Franchisor represents that Kept Co. is the owner of all right, title and interest in and to the Marks.

7.2. Use of the Marks. With respect to Franchisee's use of the Marks, Franchisee agrees that:

(a) Franchisee shall use only the Marks designated by Franchisor and shall use them only in the manner authorized and permitted by Franchisor and Kept Co.

(b) Franchisee shall use the Marks only for the operation of the Franchise.

(c) Unless Franchisor otherwise directs Franchisee, in writing to do so, Franchisee shall operate and advertise the Franchise only under the name "Krystal Klean".

(d) During the term of this Agreement, Franchisee shall identify itself to the public (in a manner reasonably acceptable to Franchisor) as an independent contractor operating the Franchise under a license from Franchisor, and post a notice to that effect, and as Franchisor directs, in Franchisee's advertising, contracts, forms, stationery and promotional materials.

(e) Franchisee's right to use the Marks is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof shall constitute an infringement of Kept Co.'s rights.

(f) Franchisee shall not use the Marks to incur any obligation or indebtedness on behalf of Franchisor or its affiliates.

(g) Franchisee shall not use the Marks or any variant thereof as part of its entity name, or as part of any e-mail address, domain name, or other identification of Franchisee in any electronic medium.

(h) Franchisee shall execute any documents deemed necessary by Franchisor or Kept Co. to obtain protection for the Marks or to maintain their continued validity and enforceability.

(i) With respect to litigation involving the Marks, the parties agree that:

(a) Franchisee shall promptly notify Franchisor of any suspected infringement of the Marks, any known challenge to the validity of the Marks, or any known challenge to Kept Co.'s ownership of, or Franchisee's right to use, the Marks licensed hereunder. Franchisee acknowledges that Kept Co. has the exclusive right to direct and control any administrative proceeding or litigation involving the Marks, including any settlement thereof. Kept Co. also has the right, but not the obligation, to take action against uses by others that may constitute infringement of the Marks; and

(b) If Kept Co. undertakes the defense or prosecution of any litigation relating to the Marks, Franchisee shall execute any and all documents and do such acts and things as may, in the opinion of counsel for Kept Co., be necessary to carry out such defense or prosecution, including, but not limited to, becoming a nominal party to any legal action.

7.3. Franchisee Acknowledgments. Franchisee expressly understands and acknowledges that:

(a) The Marks are valid, owned by Kept Co., and serve to identify the System and those who are authorized to operate under the System.

(b) Neither Franchisee nor any owner of Franchisee shall directly or indirectly contest the validity of Kept Co.'s ownership of the Marks, nor shall Franchisee, directly or indirectly, seek to register the Marks with any government agency, except with Kept Co.'s express prior written consent.

(c) Franchisee's use of the Marks does not give Franchisee any ownership interest or other interest in or to the Marks, beyond the limited non-exclusive License granted by this Agreement.

(d) All goodwill arising from Franchisee's use of the Marks shall inure solely and exclusively to Kept Co.'s benefit, and upon expiration or termination of this Agreement and the License herein granted, no monetary amount shall be assigned as attributable to any goodwill associated with Franchisee's use of the System or the Marks.

(e) The License of the Marks is nonexclusive, and Franchisor and its affiliates thus have and retain the rights, among others to use the Marks themselves in connection with selling products and services; to grant other licenses for the Marks, in addition to those

licenses already granted to existing franchisees or other licensees authorized to operate using the Marks; and to develop and establish other systems using the same or similar Marks, or any other proprietary marks, and to grant licenses or franchises thereto without providing any rights therein to Franchisee.

(f) Franchisor reserves the right to substitute different marks for use in identifying the System and the businesses operating thereunder if the Marks no longer can be used, or if Franchisor, exercising its right to do so, determines that substitution of different marks will be beneficial to the System. In such circumstances, Franchisee shall implement, at Franchisee's expense, such substituted marks in such ways as Franchisor may direct, and the use of such marks shall be governed by the terms of this Agreement.

(g) Certain associations between Franchisee and/or the Franchise, and/or the Marks and/or the System, and/or businesses operating under or products sold under the Marks or the Krystal Klean brand names on the one hand, and certain political, religious, cultural or other types of groups, organizations, causes, or activities, on the other, however well-intentioned and/or legal, may create an unwelcome, unfair, or unpopular association with, and/or an adverse effect on, the reputation of Franchisor, the System, the Krystal Klean brand, or the good will associated with the Marks. Accordingly, Franchisee shall not, without the prior written approval of Franchisor, engage in any activities with, or donate any money, products, services, goods, or other items to, any charitable, political or religious organization, group, or activity, if such action is taken, or may be perceived by the public to be taken, in the name of, in connection with, or in association with Franchisee, the Marks, the Franchise, the Franchisor, or the System.

8. CONFIDENTIAL OPERATING MANUALS

8.1. Manuals. To protect the reputation and goodwill of Franchisor and to maintain high standards of operation under the Marks, Franchisee shall conduct its business in accordance with the Manuals, one or more copies of which, or access to, Franchisee acknowledges having received on loan from Franchisor for the term of this Agreement. The Manuals may consist of multiple volumes of printed text, digital media and other electronically stored data. Franchisee acknowledges and agrees that Franchisor may provide a portion or all the Manuals (including updates and amendments), and other instructional information and materials in, or via, electronic media, including without limitation, through the Internet.

8.2. Confidentiality of the Manuals. Franchisee shall at all times treat the Manuals, any other manuals created for or approved for use in the operation of the Franchise, and the information contained therein, as confidential, and shall use best efforts to maintain such information as secret and confidential, protect it from viewing by others, and treat the Manuals with the same degree of care as it would treat its most highly confidential documents. Franchisee shall not at any time download, print, copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any unauthorized person.

8.3. Protection of the Manuals. The Manuals are the sole property of Franchisor and shall at all times be kept in a secure manner at the Franchise premises. Franchisee shall ensure that its copies of the Manuals are kept current and up to date. In the event of any dispute as to the contents of the Manuals, the terms of the master copy of the Manuals maintained by Franchisor shall control.

9. CONFIDENTIAL INFORMATION

9.1. Confidential Information. Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person or entity any confidential information, knowledge, or knowhow concerning the methods of operation of the Franchise which may be communicated to Franchisee or of which Franchisee may be apprised by virtue of Franchisee's operation under the terms of this Agreement. Franchisee shall divulge such confidential information only to such of its employees as must have access to it to operate the Franchise. Any and all information, knowledge, knowhow, and techniques which Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement, except information which Franchisee can demonstrate came to its attention prior to disclosure thereof by Franchisor; or which, at or after the time of disclosure by Franchisor to Franchisee, had become or later becomes a part of the public domain, through publication or communication by others. Any employee who may have access to any confidential information regarding the Franchise shall execute a covenant that s/he will maintain the confidentiality of information they receive in connection with their association with Franchisee. Such covenants shall be on a form provided by Franchisor, which form shall, among other things, designate Franchisor as a third-party beneficiary of such covenants with the independent right to enforce them.

9.2. Irreparable Injury. Franchisee acknowledges that any failure to comply with the requirements of this **Article 8** will cause Franchisor irreparable injury, and Franchisee agrees to pay all court costs and reasonable attorney's fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this **Article 8**.

9.3. Information Exchange. Franchisee agrees to disclose to Franchisor all ideas, concepts, methods, software, training materials, techniques, services, and products conceived or developed by Franchisee, its affiliates, owners, agents, or employees during the term of this Agreement relating to the development and/or operation of the Franchise. Franchisee hereby grants to Franchisor and its designees (including without limitation its affiliates and other Krystal Klean franchisees) the right to use such ideas, concepts, methods, software, training materials, techniques, services and products and agrees to procure from its affiliates, owners, agents, or employees a perpetual, nonexclusive, and worldwide right to use any such ideas, concepts, methods, software, training materials, techniques, services and products. Franchisor and its designees shall have no obligation to make any payments to Franchisee with respect to any of the foregoing. Further, Franchisee agrees that Franchisee will not use or allow any other person or entity to use any of the foregoing without obtaining Franchisor's prior written approval.

9.4. Personal Information Privacy. Franchisor has the right, and Franchisee hereby consents, to Franchisor using and disclosing all personal information collected from Franchisee and the Principals for any purpose connected with the System, and this Agreement and its enforcement, including providing or listing contact information for Franchisee and the Principals and management employees for System communication purposes, including with landlords and other suppliers of goods or services, or prospective franchisees; posting on System websites listing franchisees; in or in connection with Franchisor's or its affiliate's disclosure documents and, where applicable, prospectuses, statements of material facts and other securities filings and documents; and making reports or information received from Franchisee pertaining to the Franchise, or portions thereof or extracts therefrom, available for inspection by prospective franchisees, to substantiate information contained in Franchisor's or its affiliate's disclosure documents for prospective franchisees regarding the subject matter of such reports or information, as the same pertain to the Franchise or the System in general. Franchisor may also share such personal information where needed with Franchisor's professional advisors, lenders or affiliates or under agreements with third parties relating to the Franchise or the System.

Franchisor may give access to or transfer its files containing such personal information to a prospective purchaser or purchaser of the System. Franchisee must obtain any required consents from the Principals and management employees as may be necessary for it to comply with these provisions.

10. ACCOUNTING AND RECORDS

10.1. Records. Franchisee shall adopt, until otherwise specified by Franchisor, a fiscal year and fiscal accounting periods which coincide with Franchisor's then-current fiscal year, as specified by Franchisor. Franchisee shall maintain for a period of not less than three years during the term of this Agreement, and, for not less than three years following the termination, expiration, or non-renewal of this Agreement, full, complete, and accurate books, records, and accounts in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor from time to time in the Manuals or otherwise in writing.

10.2. Periodic Reports. In addition to the record keeping requirements of **Section 9.1**:

(a) If requested by Franchisor, Franchisee shall, at its expense, provide to Franchisor, in a format specified by Franchisor, a complete annual financial statement (prepared according to generally accepted accounting principles, that includes a fiscal year-end balance sheet, an income statement of the Franchise for such fiscal year reflecting all year-end adjustments, and a statement of changes in cash flow of Franchisee), on a review basis, prepared by an independent certified public accountant satisfactory to Franchisor, no later than April 15 of each year for the preceding fiscal year of the Franchise, showing the results of operations of the Franchise during the most recently completed fiscal year. Franchisee shall also provide Franchisor with a copy of Franchisee's federal and state tax returns not more than 30 days following Franchisee's submission of the same to governmental authorities.

(b) Within 45 days following the end of each calendar quarter during the term of this Agreement, Franchisee shall submit to Franchisor, in a format acceptable to (or, at Franchisor's election, specified by) Franchisor, as amended from time to time: (i) a fiscal quarter and fiscal year to date profit and loss statement and a quarterly balance sheet (which may be unaudited) for the Franchise; (ii) reports of those income and expense items of the Franchise which Franchisor specifies from time to time for use in any revenue, earnings, and/or cost summary it chooses to furnish to prospective franchisees and/or developers; and (iii) copies of all state sales tax returns for the Franchise. If required by Franchisor, Franchisee shall use on-line or other electronic accounting and reporting systems as Franchisor may specify periodically.

10.3. Reporting Requirements. Franchisee shall also submit to Franchisor in addition to the Sales Reports required pursuant to **Section 4.2.1**, for review or auditing, such other forms, reports, records, information, and data as and when Franchisor may reasonably designate, in the form and format, and at the times and places reasonably required by Franchisor, upon request and as specified from time to time in the Manuals or otherwise in writing or otherwise in electronic format, and/or restated in accordance with Franchisor's financial reporting periods, consistent with Franchisor's then current financial reporting periods and accounting practices and standards. The reporting requirements of this Section shall be in addition to, and not in lieu of, the electronic reporting that may be required in connection with the use of the required Technology System.

10.4. Audit. Franchisor or its designated agents shall have the right at all reasonable times to examine, copy, and/or personally review or audit, at Franchisor's expense,

all books, records, and sales and income tax returns of Franchisee. Franchisor shall also have the right, at any time, to have an independent audit made of the books of Franchisee. Franchisee agrees that it shall pay Franchisor the costs of one audit each calendar quarter during the term of this Agreement, which costs will not exceed $3,500; provided, however, if an audit is necessitated because Franchisee fails to timely provide Sales Reports or if an audit discloses an understatement in any report by Franchisee of 2% or more, Franchisee shall, reimburse Franchisor for all costs and expenses connected with the audit (including, without limitation, TLM and salaries and other benefits of personnel conducting the audit, and reasonable accounting and legal costs). If an inspection should reveal that any payments have been understated in any report to Franchisor, then Franchisee shall immediately pay Franchisor the amount understated upon demand, in addition to interest from the date such amount was due until paid, at the rate of 1.5% per month, or the maximum rate permitted by law, whichever is less. The foregoing remedies shall be in addition to any other remedies Franchisor may have.

10.5. Data. Franchisor may, from time-to-time, specify in the Manuals or otherwise in writing the information that Franchisee shall collect and maintain on the Technology System installed at the Franchise, and Franchisee shall provide to Franchisor such reports as Franchisor may reasonably request from the data so collected and maintained. All data provided by Franchisee in any form, and whether required by this Section or any other requirement under the System or in the Manuals, including data uploaded to Franchisor's computer system from the Franchisee's Technology System, and/or downloaded from the Franchisee's Technology System to Franchisor's computer system, is and will be owned exclusively by Franchisor, including without limitation, customer lists and email lists, and Franchisor will have the right to use such data in any manner that Franchisor deems appropriate without compensation to Franchisee. In addition, all other data created or collected by Franchisee in connection with the System, or in connection with Franchisee's operation of the Franchise (including but not limited to consumer and transaction data), is and will be owned exclusively by Franchisor during the term of, and following termination or expiration of, this Agreement. Copies and/or originals of such data must be provided to Franchisor upon Franchisor's request. Franchisor hereby licenses use of such data back to Franchisee, at no additional cost, solely for the term of this Agreement and solely for Franchisee's use in connection with the Franchise. Franchisor may use all such information, data, and reports in any manner, including, without limitation, providing financial and operating reports to franchisees and developers operating under the System.

11. ADVERTISING

Recognizing the value of advertising, and the importance of the standardization of advertising programs to the furtherance of the goodwill and public image of the System, the parties agree as follows:

11.1. General.

(a) Franchisee may only use advertising and promotional content that Franchisor has furnished or approved in writing in advance. Franchisee shall ensure that all advertising and promotional content that Franchisee uses is clear, factual, ethical and not misleading; complies with all laws and conforms to all of Franchisor's standards and specifications. Except for advertising and promotional content provided by Franchisor, Franchisee must submit to Franchisor for its written approval, at least 30 days before use, copies of all proposed advertising and promotional content that Franchisee intends to use or implement. If Franchisor does not respond within such 30-day period, the material is deemed rejected. Franchisor has the right to approve or disapprove any advertising and promotional Content, as well as the media in which Franchisee intends to use them, in its sole discretion. Franchisor

reserves the right to require Franchisee to discontinue the use of any advertising and promotional content for any reason.

(b) Franchisor has the right to require that Franchisee, during each calendar month, contribute a total of up to 8% of Franchisee's Gross Revenue for the purpose of advertising and promotion (together, "**Advertising Obligations**"). Franchisor shall have the right to designate in writing from time to time how, and in what proportions, Franchisee is to allocate its Advertising Obligations among the following two categories: (i) contributions to the Call Center & Brand Fund ("**Call Center & Brand Fund Contributions**"); and (ii) contributions to any Market Cooperative ("**Market Cooperative Contributions**").

(c) Franchisor shall provide Franchisee with not less than 60 days prior written notice of any change in the required Advertising Obligations (which will not exceed 8% of Gross Revenue), including any change in the manner in which Advertising Obligations are allocated among Call Center & Brand Fund Contributions and the Market Cooperative Contributions.

(d) Franchisee shall pay required Call Center & Brand Fund Contributions and Market Cooperative Contributions in the manner required under **Article 4** (or as otherwise provided in this **Article 10**).

(e) For all company-owned Krystal Klean businesses, Franchisor shall contribute to the Call Center & Brand Fund and Market Cooperatives on the same basis as franchisees.

11.2. Call Center & Brand Fund. The following provisions shall apply to the operation of the Call Center & Brand:

(a) Franchisor or its designee shall have the right to direct all advertising programs, as well as all aspects thereof, including without limitation, the concepts, materials, and media used in such programs and the placement and allocation thereof. Franchisee agrees and acknowledges that the Call Center & Brand Fund is intended to maximize general public recognition, acceptance, perception of, and use of the System; and that Franchisor and its designee are not obligated, in administering the Call Center & Brand Fund, to make expenditures for Franchisee which are equivalent or proportionate to Franchisee's contribution, or to ensure that any particular franchisee benefits directly or pro rata from expenditures by the Call Center & Brand Fund.

(b) The Call Center & Brand Fund, all contributions thereto, and any earnings thereon, shall be used exclusively (except as otherwise provided in this **Section 10.2**) to meet any and all costs of (a) operating and managing the Krystal Klean Call Center or other customer development activities; and (b) otherwise maintaining, administering, directing, conducting, creating and/or otherwise preparing advertising, marketing, public relations and/or promotional programs and materials, research and design relating to branding and implementation of re-branding programs and strategies, and any other activities which Franchisor believes will enhance the image of the System, including, without limitation, the costs of: preparing and/or conducting media advertising campaigns; marketing surveys and other public relations activities; employing advertising and/or public relations agencies; purchasing promotional items; developing new or modified trade dress and marks; point-of-purchase (POP) materials; design and photographs; purchasing media space or time (including all associated fees and expenses); administering regional and multi-regional marketing and advertising programs; market research; developing and implementing customer loyalty and incentive programs; the development and

testing of new or substitute products or services; public relation events; charitable or non-profit events; developing, implementing and maintaining an electronic commerce website and/or related strategies; maintaining and developing one or more websites devoted to the System, the Marks and/or the "Krystal Klean" brand; providing promotional and other marketing materials and services to the franchises operated under the System; independent sales agent commissions; and the salaries of Franchisor's employees to the extent such employees provide services in conjunction with System's marketing activities. The Call Center & Brand Fund may also be used to provide rebates or reimbursements to franchisees for local expenditures on products, services, or improvements, approved in advance by Franchisor, which products, services, or improvements Franchisor shall have the right to determine will promote general public awareness and favorable support for the System.

(c) Franchisee shall contribute to the Call Center & Brand Fund in the manner specified by Franchisor. All sums paid by Franchisee to the Call Center & Brand Fund shall be maintained in an account separate from Franchisor's other monies. The Call Center & Brand Fund will not be used to defray the general operating expenses of Franchisor except that Franchisor shall have the right to charge the Call Center & Brand Fund for such reasonable administrative costs and overhead as Franchisor may incur in activities reasonably related to the direction and implementation of the Call Center & Brand Fund and advertising programs for franchisees and the System. The Call Center & Brand Fund and its earnings shall not otherwise inure to the benefit of Franchisor.

(d) The Call Center & Brand Fund is not intended to be, nor will it be deemed to be a trust, and Franchisor does not assume any fiduciary obligation to Franchisee for maintaining, directing or administering the Call Center & Brand Fund or for any other reason. A statement of the operations of the Call Center & Brand Fund as shown on the books of Franchisor shall be prepared annually by Franchisor and shall be made available to Franchisee on an annual basis upon Franchisee's written request.

(e) Although the Call Center & Brand Fund is intended to be of perpetual duration, Franchisor maintains the right to terminate the Call Center & Brand Fund. The Call Center & Brand Fund shall not be terminated, however, until all monies in the Call Center & Brand Fund have been expended for advertising and/or promotional purposes.

11.3. Market Cooperative. Franchisor shall have the right to designate any geographical area for purposes of establishing a market advertising and promotional cooperative fund ("**Market Cooperative**"). If a Market Cooperative for the geographic area in which the Franchise is located has been established at the time Franchisee commences operations hereunder, Franchisee shall immediately become a member of such Market Cooperative. If a Market Cooperative for the geographic area in which the Franchise is located is established during the term of this Agreement, Franchisee shall become a member of such Market Cooperative within 30 days after the date on which the Market Cooperative commences operation. In no event shall Franchisee be required to be a member of more than one Market Cooperative. The following provisions shall apply to each such Market Cooperative:

(a) Each Market Cooperative shall be organized (including but not limited to bylaws and other organizational documents) and governed in a form and manner, and shall commence operations on a date, approved in advance by Franchisor in writing. Unless otherwise specified by Franchisor, the activities carried on by each Market Cooperative shall be decided by a majority vote of its members. Any Krystal Klean company-owned business that Franchisor or its affiliates operates in the area shall have the same voting rights as those owned by its franchisees. Each franchisee shall be entitled to cast one vote for each franchise owned.

(b) Each Market Cooperative shall be organized for the exclusive purpose of administering regional advertising programs and developing, subject to Franchisor's approval, standardized promotional materials for use by the members in local advertising and promotion.

(c) No advertising or promotional plans or materials may be used by a Market Cooperative or furnished to its members without the prior approval of Franchisor, pursuant to the procedures and terms set forth in **Section 10.1.1.**

(d) Each Market Cooperative may require its members to spend and/or contribute an amounts that is up to 2% of Franchisee's Gross Revenue, as determined by the Market Cooperative, subject to Franchisor's approval. Franchisee shall submit its required Market Cooperative Contributions to the Market Cooperative at the time specified by Franchisor, together with such statements or reports as may be required by Franchisor or by the Market Cooperative with Franchisor's prior written approval. If requested by Franchisor in writing, Franchisee shall submit its payments and reports to the Market Cooperative directly to Franchisor for distribution to the Market Cooperative.

(e) Although once established, each Market Cooperative is intended to be of perpetual duration, Franchisor maintains the right to terminate any Market Cooperative. A Market Cooperative shall not be terminated, however, until all monies in that Market Cooperative have been expended for advertising and/or promotional purposes.

11.4. Promotional Materials and Marketing Assistance. Franchisor may make available to Franchisee from time to time, at Franchisee's expense, advertising plans and promotional materials, including newspaper mats, coupons, merchandising materials, sales aids, point of purchase materials, special promotions, direct mail materials, community relations programs, and similar advertising and promotional materials for use in advertising and promotion. Franchisor may provide periodic marketing assistance to Franchisee as it deems appropriate.

11.5. Minimum Requirements Only. Franchisee understands and acknowledges that the required Advertising Obligations are minimum requirements only, and that Franchisee may, and is encouraged by Franchisor to expend additional funds for local advertising and promotion of a local nature which will focus on disseminating advertising directly related to the Franchise.

11.6. Websites; Internet Use. Franchisee shall not, without Franchisor's prior written approval, offer, promote, or sell any products or services, or make any use of the Marks, through the Internet, including the use of websites, domain names, uniform resource locators, keywords, linking, search engines (and search engine optimization techniques), banner ads, meta-tags, marketing, auction sites, e-commerce (as herein defined) and co-branding arrangements. Any website shall be deemed "advertising" under this Agreement and will be subject to (among other things) Franchisor's approval under **Section 10.1.1.** Franchisor has the right to control or designate the manner of Franchisee's use of all URLs, domain names, website addresses, metatags, links, key words, e-mail addresses and any other means of electronic identification or origin ("**e-names**"). Franchisor also has the right to designate, approve, control or limit all aspects of Franchisee's use of the Internet, Intranet, World Wide Web, wireless technology, digital cable, use of e-names, e-mail, home pages, bulletin boards, chat rooms, social networking sites, linking, framing, online purchasing cooperatives, marketplaces, barter exchanges, and related technologies, methods, techniques, registrations, networking, and any electronic communication, commerce, computations, or any means of interactive electronic

documents contained in a network of computers or similar devices linked by communications software or hardware (collectively, "**e-commerce**"). Franchisee agrees to follow all of Franchisor's policies and procedures related to the use and regulation of e-commerce. Franchisee agrees to be bound by any terms of use, privacy policy and copyright notice and takedown policies and the like that Franchisor establishes from time to time. Franchisor may require Franchisee, at Franchisee's expense, to coordinate its e-commerce activities with Franchisor, other Franchises, suppliers and/or affiliates. Other than any e-mail or any similar account provided to Franchisee by Franchisor, if any, Franchisee shall not establish any e-mail account using the Marks or similar names or marks. Franchisee agrees to use any e-mail or any similar account provided to Franchisee by Franchisor solely for business purposes. Franchisee shall be required to follow Franchisor's intranet and Internet usage rules, policies and requirements. Franchisor retains the sole right to approve any linking to, or other use of, the Krystal Klean Website. Franchisee recognizes and agrees that Franchisor and its affiliates own all rights, title and interest in and to any and all websites and e-names that Franchisor commissions or utilizes, or requires or permits Franchisee to utilize, in connection with the System, which bear the Marks or any derivative of the Marks. Franchisee also recognizes and agrees that Franchisor and/or its affiliates own all rights, title and interest in and to any and all data or other information collected via e-commerce related to the System or the Marks, including any customer data, click-stream data, cookies, user data, hits and the like. Such data or other information also constitutes Franchisor's confidential information subject to **Article 8.**

12. INSURANCE

12.1. Insurance Requirements. Prior to the commencement of any activities or operations pursuant to this Agreement, Franchisee shall procure and maintain in full force and effect during the term of this Agreement (and for such period thereafter as is necessary to provide the coverages required hereunder for events having occurred during the term of this Agreement), at Franchisee's expense, the following insurance policy or policies in connection with the Franchise. Such policy or policies shall be written by an insurance company or companies acceptable to Franchisor, having a rating of at least "A-7" in the most recent Key Rating Guide published by the A.M. Best Company (or another rating that Franchisor reasonably designates if A.M. Best Company no longer publishes the Key Rating Guide) and licensed to do business in the state in which the Franchise is located. Such policy or policies shall be in accordance with standards and specifications set forth in the Manuals or otherwise in writing and shall include, at a minimum (except as additional coverages and higher policy limits may reasonably be specified for all franchisees from time to time by Franchisor in the Manuals or otherwise in writing to reflect inflation, identification of new risks, changes in the law or standards of liability, higher damage awards and other relevant changes in circumstances), the following:

(a) Comprehensive general liability insurance, written on an occurrence basis, extended to include contractual liability, products and completed operations, and personal and advertising injury, with a combined bodily injury and property damage limit of not less than $1,000,000 per occurrence.

(b) If any vehicles are used for business purposes, business automobile liability insurance, including a combined single bodily injury and property damage coverage for all owned, non-owned, and hired vehicles, with limits of liability not less than $1,000,000 per occurrence for both bodily injury and property damage.

(c) Statutory workers' compensation insurance and employer's liability insurance for a minimum limit of at least $1,000,000, as well as such other disability benefits type insurance as may be required by statute or rule of the state in which the Franchise is located.

(d) Commercial umbrella liability insurance with limits which bring the total of all primary underlying coverages to not less than $2,000,000 total limit of liability.

(e) Property insurance providing coverage for direct physical loss or damage to real and personal property for all risk perils, including the perils of flood and earthquake.

(f) Any other insurance coverage that is required by federal, state, or municipal law.

12.2. Referenced in Manuals. All policies listed in **Section 11.1** (unless otherwise noted below) shall contain such endorsements as shall, from time to time, be provided in the Manuals.

12.3. Policy Cancellation. In the event of cancellation, material change, or nonrenewal of any policy, 60 days' advance written notice must be provided to Franchisor in the manner provided in **Article 20**. Franchisee shall arrange for a copy of such notification to be sent to Franchisor by the insurance company.

12.4. Construction and Remodeling Insurance. In connection with all significant construction, reconstruction, or remodeling of the Franchise Location during the term of this Agreement, Franchisee will cause the general contractor, its subcontractors, and any other contractor, to effect and maintain at general contractor's and all other contractor's own expense, such insurance policies and bonds with such endorsements as are set forth in the Manuals, all written by insurance or bonding companies approved by Franchisor, having a rating as set forth in **Section 11.1**.

12.5. No Waiver of Obligations. Franchisee's obligation to obtain and maintain the foregoing policy or policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in **Section 17.4**.

12.6. Franchisor to be Additional Insured. All insurance policies shall list Franchisor and its affiliates, officers, directors, employees, and agents as additional insureds.

12.7. Certificates of Insurance. At least 30 days prior to the time any insurance is first required to be carried by Franchisee, and thereafter at least 30 days prior to the expiration of any such policy, Franchisee shall deliver to Franchisor, certificates of insurance evidencing the proper coverage with limits not less than those required hereunder. All certificates shall expressly provide that no less than 30 days' prior written notice shall be given Franchisor in the event of material alteration to, cancellation, or nonrenewal of the coverages evidenced by such certificates. Further certificates evidencing the insurance required by **Section 11.1** shall name Franchisor, and each of its affiliates, directors, agents, and employees as additional insureds, and shall expressly provide that any interest of same therein shall not be affected by any breach by Franchisee of any policy provisions for which such certificates evidence coverage. In the event that Franchisee fails to provide evidence reasonably satisfactory to Franchisor of the insurance policies required by this **Article 11**, Franchisor may, but is not required to, obtain such required policies on Franchisee's behalf, and Franchisee agrees that it will promptly reimburse Franchisor for all costs related to obtaining such policies upon notice from Franchisor.

12.8. Proof of Insurance. In addition to its obligations under **Section 11.7**, on the first anniversary of the Effective Date, and on each subsequent anniversary thereof during the

term of this Agreement, Franchisee shall provide Franchisor with proof of insurance evidencing the proper coverage with limits not less than those required hereunder, in such form as Franchisor may reasonably require.

12.9. Policy Limit Changes. Franchisor shall have the right, from time to time, to make such changes in minimum policy limits and endorsements as it may determine; provided, however, all changes shall apply, generally, to all franchisees of Franchisor who are similarly situated.

13. TRANSFER OF INTEREST

13.1. Franchisor Transfers. Franchisor shall have the right to transfer or assign this Agreement and all or any part of its rights or obligations under this Agreement, or any interests in the assets of Franchisor, or any ownership or equity interests in Franchisor, to any person or entity, and any assignee of Franchisor shall become solely responsible for all obligations of Franchisor under this Agreement from the date of assignment.

13.2. Principals. If Franchisee is an entity, each person or entity that is an owner of, or has an ownership interest in, Franchisee (each, a "**Principa**l"), and the interest of each Principal in Franchisee, is identified on the Summary Page. Franchisee represents and warrants that its owners are as set forth on the Summary Page, and covenants that it will not permit the identity of such owners, or their respective interests in Franchisee, to change without complying with this Agreement.

13.3. Franchisee Transfers. Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee and its Principals, and that Franchisor has granted this License in reliance on Franchisee's or Franchisee's Principals' business skill, financial capacity, and personal character. Accordingly:

(a) Franchisee shall not, without the prior written consent of Franchisor, transfer, pledge or otherwise encumber: (a) this Agreement or any of the rights and obligations of Franchisee under this Agreement; or (b) any material asset of Franchisee or the Franchise; provided, however, that Franchisee may grant a security interest in, or otherwise encumber certain assets of the Franchise, excluding the Franchise Agreement, in connection with Franchisee obtaining financing for the development and/or operation of the Franchise or equipment leasing, if such financing satisfies the requirements of Franchisor, which may include, without limitation, execution of agreements by Franchisor, Franchisee, and/or such Principal, and any secured creditor of Franchisee, in a form satisfactory to Franchisor, acknowledging such creditor's obligations to be bound by the terms of this **Article 12**.

(b) If Franchisee is an entity, Franchisee shall not, without the prior written consent of Franchisor, issue any equity, and the recipient of any such equity shall become a Principal under this Agreement. If Franchisee is a partnership or limited partnership, the partners of the partnership shall not, without the prior written consent of Franchisor, admit additional general partners, remove a general partner, or otherwise materially alter the powers of any general partner. Each general partner shall automatically be deemed a Principal of Franchisee.

(c) A Principal shall not, without the prior written consent of Franchisor, transfer, pledge or otherwise encumber any interest of a Principal in Franchisee.

13.4. Conditions for Approval. Franchisor shall not unreasonably withhold any consent required by **Section 12.3**; provided, that if Franchisee proposes to transfer its obligations

hereunder or any interest in any material asset, if a Principal proposes to transfer any direct or indirect interest in Franchisee, or if Franchisee or any Principal proposes to undertake any transfer that is subject to **Section 12.3**, Franchisor shall have the right to require any or all of the following as conditions of its approval (except as provided in **Section 12.9**):

(a) The transferor shall have executed a general release (which shall include a release from the transferor, Franchisee, Principals, and guarantors of Franchisee), in a form satisfactory to Franchisor, of any and all claims against Franchisor and its affiliates, successors, and assigns, and their respective directors, officers, owners, members, managers, partners, agents, representatives, servants, and employees in their corporate and individual capacities including, without limitation, claims arising under this Agreement, any other agreement between Franchisee and Franchisor or its affiliates, and federal, state, and local laws and rules.

(b) The transferee of a Principal shall be designated as a Principal and each transferee who is designated a Principal shall enter into a written agreement, in a form satisfactory to Franchisor, agreeing to be bound as a Principal under the terms of this Agreement as long as such person or entity owns any interest in Franchisee, and, the Principal shall guarantee the performance of all such obligations in writing in a form satisfactory to Franchisor.

(c) Franchisee's new Principals shall meet Franchisor's educational, managerial, and business standards; each shall possess a good moral character, business reputation, and credit rating; have the aptitude and ability to operate the Franchise, as may be evidenced by prior related business experience or otherwise; and have adequate financial resources and capital to operate the Franchise.

(d) If a proposed transfer would result in a change in control of Franchisee, at Franchisor's option, Franchisee (or transferee) shall execute, for a term ending on the expiration date of this Agreement the form of franchise agreement then being offered to new System franchisees, and such other ancillary agreements required by Franchisor for the Franchise, which agreements shall supersede this Agreement and its ancillary documents in all respects, and the terms of which may differ from the terms of this Agreement including, without limitation, higher royalty and advertising fees.

(e) If a proposed transfer would result in a change in control of Franchisee, and if so requested by Franchisor, Franchisee, at its expense, shall upgrade the Franchise to conform to the then current standards and specifications of new Franchises then being established in the System, and shall complete the upgrading and other requirements set forth in **Sections 5.1.6** and **5.2.5** within the time period specified by Franchisor.

(f) All monetary obligations of Franchisee hereunder shall be paid in full on a current basis, and Franchisee must not be otherwise in default of any of its obligations hereunder including, without limitation, its reporting obligations.

(g) The transferor shall remain liable for all of the obligations to Franchisor in connection with the Franchise that arose prior to the effective date of the transfer, and any covenants that survive the termination or expiration of this Agreement, and shall execute any and all instruments reasonably requested by Franchisor to evidence such liability.

(h) The transferee's Operating Principal, Manager and other employees designated by Franchisor shall successfully complete (to Franchisor's satisfaction) all certification programs required by Franchisor upon such terms and conditions as Franchisor may reasonably require (and while Franchisor will not charge a fee for attendance at such certification

programs, the transferee shall be responsible for the salary and all expenses of its personnel attending such programs).

(i) If a proposed transfer would result in a change in control of Franchisee, and to compensate Franchisor for Franchisor's legal, accounting, provision of certification programs for the transferee, and other expenses incurred in connection with the transfer, Franchisee shall pay Franchisor a non-refundable transfer fee in an amount equal to $12,500. One-half of the transfer fee shall be paid at the time Franchisee submits its request to Franchisor for consideration of the proposed transfer, and such amount shall be non-refundable. The balance of the transfer fee shall be paid at the time the transfer is consummated or closes. In addition, in the event a proposed transfer is not consummated or closed, for any reason except for disapproval by Franchisor, Franchisee or the proposed transferee shall reimburse Franchisor for all of its costs and expenses incurred in connection with its evaluation and processing of the proposed transfer, including, without limitation, attorneys' and accountants' fees, background checks, site evaluation, and certification, if applicable, to the extent the portion of the transfer fee paid when the transfer approval request was made does not cover those costs and expenses.

(j) If the proposed transfer will result in a change in control of Franchisee, the terms of the proposed transfer will not adversely impact the continued operations of the Franchise, as determined in Franchisor's sole discretion.

(k) The transferor must acknowledge and agree that the transferor shall remain bound by the covenants contained in **Section 15.2.**

13.5. Right of First Refusal.

(a) If Franchisee or any Principal desires to accept any bona fide offer from a third party to purchase Franchisee, any material assets of Franchisee, or any direct or indirect interest in Franchisee, Franchisee or such Principal shall promptly notify Franchisor of such offer and shall provide such information and documentation relating to the offer as Franchisor may require. Franchisor shall have the right and option, exercisable within 30 days after receipt of all such information, to send written notice (the "**Exercise Notice**") to the seller that Franchisor intends to purchase the seller's interest on the same terms and conditions offered by the third party. If Franchisor elects to purchase the seller's interest, the contract to purchase the Franchise (or interests or assets) shall be executed within 60 days after the Exercise Notice and the closing shall occur at the principal offices of Franchisor; provided, however, that in no event shall the closing occur later than 90 days following the execution of the definitive purchase agreement.

(b) Any material change in the terms of the bona fide offer prior to closing shall constitute a new offer subject to the same rights of first refusal by Franchisor as in the case of the third party's initial offer. Additionally, if Franchisor elects not to exercise its purchase right and Franchisee fails to complete the proposed sale within six months from the date Franchisor notifies Franchisee that Franchisor will not make the purchase, Franchisor shall again have the right of first refusal described in this **Section 12.5**. Failure of Franchisor to exercise the option afforded by this **Section 12.5** shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this **Section 12**, with respect to a proposed transfer, or a waiver of any subsequent offer.

(c) In the event the consideration, terms, and/or conditions offered by a third party are such that Franchisor may not reasonably be required to furnish the same consideration, terms, and/or conditions, then Franchisor may purchase the interest proposed to

be sold for the reasonable equivalent in cash. If the parties cannot agree within a reasonable time on the reasonable equivalent in cash of the consideration, terms, and/or conditions offered by the third party, they must attempt to appoint a mutually acceptable independent appraiser to make a binding determination. If the parties are unable to agree upon one independent appraiser, then an independent appraiser shall be promptly designated by Franchisor and another independent appraiser shall be promptly designated by Franchisee, which two appraisers shall, in turn, promptly designate a third appraiser; all three appraisers shall promptly confer and reach a single determination, which determination shall be binding upon Franchisor and Franchisee. The cost of any such appraisal shall be shared equally by Franchisor and Franchisee. If Franchisor elects to exercise its right under this **Section 12.5**, Franchisor shall have the right to set off all amounts due from Franchisee, and one-half of the cost of the appraisal, if any, against any payment to the seller.

13.6. Transfer Upon Death. Upon the death of a Principal, the deceased's executor, administrator, or other personal representative shall transfer the deceased's interest to a third party approved by Franchisor within 12 months after the death in accordance with the conditions described in this **Article 12**. If the distributee is not approved by Franchisor, then the distributee shall transfer the deceased's interest to a third party approved by Franchisor within 12 months after the deceased's death.

13.7. Transfer Upon Permanent Disability. Upon the permanent disability of any Principal with a controlling interest in Franchisee, Franchisor shall have the right to require such interest to be transferred to a third party in accordance with the conditions described in this **Article 12** within six months after notice to Franchisee, provided that no transfer fee shall be due for a transfer pursuant to this **Section 12.7**. "**Permanent Disability**" shall mean any physical, emotional, or mental injury, illness, or incapacity that would prevent a person from performing the obligations set forth in this Agreement for at least six consecutive months, and from which condition recovery within six consecutive months from the date of determination of disability is unlikely. Permanent disability shall be determined by a licensed practicing physician upon examination of such person or, if such person refuses to be examined, then such person shall automatically be deemed permanently disabled for the purposes of this **Section 12.7** as of the date of refusal. The licensed practicing physician making such determination shall be chosen by the mutual agreement of a doctor selected by Franchisor and a doctor selected by Franchisee. Franchisor shall pay the cost of the required examination.

13.8. Notification Upon Death or Permanent Disability. Upon the death or Permanent Disability any Principal of Franchisee, such person or his representative shall promptly notify Franchisor of such death or claim of permanent disability. Any transfer upon death or Permanent Disability shall be subject to the same terms and conditions as any inter vivos transfer.

13.9. Exceptions for Entity Formed Convenience of Ownership. Notwithstanding anything to the contrary in this **Article 12**, if Franchisee is an individual and seeks to transfer this Agreement to an entity formed for the convenience of ownership, the conditions of **Sections 12.4.4** (signing a new franchise agreement), **12.4.5** (upgrading the Franchise), **12.4.8** (certifications), and **12.4.9** (transfer fee) shall not apply; provided however, that in lieu of a transfer fee, Franchisee shall reimburse Franchisor for its legal, accounting and other professional fees and other costs incurred in connection with processing the transfer, and Franchisee may undertake such transfer, provided that Franchisee owns 100% of the equity interest in the transferee entity, and the Franchisee personally guarantees, in a written guaranty satisfactory to Franchisor, the performance of the obligations of Franchisee under this Agreement.

13.10. No Waiver of Claims. Franchisor's consent to a transfer which is the subject of this **Article 12** shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferor or transferee.

13.11. Insolvency. If Franchisee or any person holding any interest (direct or indirect) in Franchisee becomes a debtor in a proceeding under the U.S. Bankruptcy Code or any similar law in the U.S. or elsewhere, it is the parties' understanding and agreement that any transfer of Franchisee, Franchisee's obligations and/or rights hereunder, any material assets of Franchisee, or any indirect or direct interest in Franchisee shall be subject to all of the terms of this **Article 12**.

13.12. Securities Offerings. All materials for an offering of stock or partnership interests in Franchisee or any affiliate of Franchisee which are required by federal or state law shall be submitted to Franchisor for review as described below before such materials are filed with any government agency. Any materials to be used in any exempt offering shall be submitted to Franchisor for such review prior to their use. No offering by Franchisee or any affiliate of Franchisee shall imply (by use of the Marks or otherwise) that Franchisor is participating in an underwriting, issuance, or offering of the securities of Franchisee or Franchisee's affiliates; and Franchisor's review of any offering shall be limited solely to the relationship between Franchisor and Franchisee and affiliates, if applicable, and shall not constitute any opinion as to any legal requirement. Franchisor may, at its option, require the offering materials to contain a written statement prescribed by Franchisor concerning the limitations stated in the preceding sentence. Franchisee (and the offeror if not Franchisee), the Principals, and all other participants in the offering must fully indemnify Franchisor, its affiliates, successors, and assigns, and their respective directors, officers, shareholders, partners, agents, representatives, servants, and employees in connection with the offering and shall execute any and all documents required by Franchisor to endorse such indemnification. For each proposed offering, Franchisee shall pay Franchisor an amount as is necessary to reimburse Franchisor for its reasonable costs and expenses (including legal and accounting fees) for reviewing the proposed offering. Franchisee shall give Franchisor written notice at least 30 days before the date that any offering or other transaction described in this Section commences. Any such offering shall be subject to all of the other provisions of this **Article 12**; and further, without limiting the foregoing, it is agreed that any such offering shall be subject to Franchisor's approval as to the structure and voting control of the offeror (and Franchisee, if Franchisee is not the offeror).

14. DEFAULT AND TERMINATION

14.1. Automatic Termination. Franchisee shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee, if Franchisee shall become insolvent or makes a general assignment for the benefit of creditors; or if a petition in bankruptcy is filed by Franchisee or such a petition is filed against and not opposed by Franchisee; or if Franchisee is adjudicated as bankrupt or insolvent; or if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; or if 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; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee; or if a final judgment remains unsatisfied or of record for 30 days or longer (unless unappealed or a supersedeas bond is filed); or if Franchisee is dissolved; or if execution is levied against Franchisee's business or property; or if suit to foreclose any lien or mortgage against the Franchise premises or equipment is instituted against Franchisee and not dismissed within 30

days; or if the real or personal property of Franchisee's Franchise shall be sold after levy thereupon by any sheriff, marshal, or constable.

14.2. Termination Upon Notice Without Opportunity to Cure. Franchisee shall be deemed to be in default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon the delivery of written notice to Franchisee by Franchisor (in the manner set forth under **Article 20**), upon the occurrence of any of the following events:

(a) Franchisee fails to complete the initial certification program in accordance with **Sections 3.2** and **5.5** of this Agreement;

(b) Franchisee knowingly maintains false books or records, or submits any false reports (including, but not limited to, information provided as part of Franchisee's application for this franchise) to Franchisor, underreports Gross Revenue by more than 5% or more for any period or greater or engages in billing and invoicing activities in violation of **Section 3.8;**

(c) Franchisee fails to obtain a Franchise Location and/or open the Franchise as provided in **Sections 5.1** and **5.4**;

(d) Franchisee fails to meet the Minimum Performance Criteria set forth in **Section 5.21**;

(e) Contrary to the terms of **Articles 7** or **8**, Franchisee discloses or divulges confidential information provided to Franchisee by Franchisor;

(f) Franchisee at any time ceases to operate or otherwise abandons the Franchise for three consecutive business days, or loses the right to possession of the Franchise Location, or otherwise forfeits the right to do or transact business in the jurisdiction where the Franchise is located;

(g) Franchisee or any Principal is convicted of a felony or any other crime involving moral turpitude;

(h) Franchisee or any Principal engages in any activity that Franchisor believes is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith, or Kept Co.'s interest therein;

(i) The occurrence of any imminent threat or danger to public health or safety results from the operation of the Franchise;

(j) Franchisee or any Principal purports to transfer any rights or obligations under this Agreement or any interest to any third party in a manner that is contrary to the terms of **Article 12**;

(k) Franchisee or any Principal fails to comply with the covenants in **Section 15.2**;

(l) Franchisee commits three or more defaults under this Agreement (including, without limitation, any violation of any Brand Standard contained in the Manuals) in any 12-month period, whether or not each such default has been cured after notice;

(m) Franchisee or any Principal makes any unauthorized or improper use of the Marks or contests the validity of Kept Co.'s ownership of the Marks or its right to use and to license others to use the Marks; and/or

(n) Any other Franchise Agreement, Area Development Agreement, Software License Agreement, Secured Note, Credit Agreement or other debt instrument or agreement between Franchisor (or its affiliates), on the one hand, and Franchisee, any Principal of Franchisee or any of Franchisee's affiliates, on the other hand is terminated as a result of a default; provided, however, no termination of an Area Development Agreement solely on the basis of the failure to meet the Development Schedule (as defined therein) shall be a default under this Agreement.

14.3. Termination With Opportunity to Cure. Except as otherwise provided in **Sections 13.1** and **13.2**, upon any other default by Franchisee of its obligations hereunder (including, without limitation, any violation of any Brand Standard contained in the Manuals), Franchisor may terminate this Agreement only by giving written notice of termination (in the manner set forth under **Article 20**) setting forth the nature of such default to Franchisee at least 30 days prior to the effective date of termination (or, with respect to monetary defaults or a default under the insurance requirements of **Article 11**, five days); provided, however, that Franchisee may avoid termination by immediately initiating a remedy to cure such default, curing it to Franchisor's satisfaction, and by promptly providing proof thereof to Franchisor, all within the 30 day period (or five day period with respect to monetary defaults or a default under the insurance requirements of **Article 11**). If any such default is not cured within the specified time, this Agreement may, upon Franchisor's election, be terminated without further notice to Franchisee effective immediately upon the expiration of the 30-day period (or five-day period with respect to monetary defaults or a default under insurance requirements of **Article 11**) or such longer period as applicable law may require.

14.4. Extended Notice of Termination. If any law applicable to this **Article 13**, requires a longer notice period prior to termination of this Agreement than is required hereunder, a different standard of "good cause", or the taking of some other action not required hereunder, the prior notice, "good cause" standard, and/or other action required by such law shall be substituted for the comparable provisions hereof.

14.5. Assignment Upon Bankruptcy. If, for any reason, this Agreement is not terminated pursuant to this **Article 13**, and this Agreement is assumed, or assignment of the same to any person or entity who has made a bona fide offer to accept an assignment of this Agreement is contemplated, pursuant to the United States Bankruptcy Code, then notice of such proposed assignment or assumption, setting forth: (i) the name and address of the proposed assignee; and (ii) all of the terms and conditions of the proposed assignment and assumption, shall be given to Franchisor within 20 days after receipt of such proposed assignee's offer to accept assignment of this Agreement, and, in any event, within 10 days prior to the date application is made to a court of competent jurisdiction for authority and approval to enter into such assignment and assumption, and Franchisor shall thereupon have the prior right and option, to be exercised by notice given at any time prior to the effective date of such proposed assignment and assumption, to accept an assignment of this Agreement to Franchisor itself upon the same terms and conditions and for the same consideration, if any, as in the bona fide offer made by the proposed assignee, less any brokerage commissions which may be payable by Franchisee out of the consideration to be paid by such assignee for the assignment of this Agreement. In the event Franchisor does not elect to exercise the options described in this **Section 13.5**, any transfer or assignment pursuant to the United States Bankruptcy Code shall be subject to the same terms and conditions of any other transfer or assignment set forth in **Article 12**.

14.6. Damages. In addition to any other claims Franchisor may have (other than claims for lost future Royalty Fees and Call Center & Brand Fund Contributions), if Franchisor terminates this Agreement based on Franchisee's default or if Franchisee terminates this Agreement in violation of its terms, Franchisee must pay Franchisor liquidated damages calculated as follows: (a) the average of Franchisee's monthly Royalty Fees and Call Center & Brand Fund Contributions due for the last 12 months (or for such shorter period of time that the Franchise has been in operation) before termination, (b) multiplied by the lesser of 36 or the number of months remaining in the then-current term under **Section 2.1**, and (c) discounted to present value using the then-current prime rate of interest quoted by Franchisor's principal commercial bank. The parties hereto agree that calculation of damages if Franchisor terminates due to default or if Franchisee terminates this Agreement in violation of its terms will be difficult to measure and quantify, and the damages described in this Section are a reasonable approximation of such damages, and are not a penalty.

15. OBLIGATIONS UPON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement, the License and all rights granted hereunder to Franchisee shall forthwith terminate, and:

15.1. Cease Operations. Franchisee shall immediately cease to operate the Franchise, and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor.

15.2. Cease Use of Marks. Franchisee shall immediately and permanently cease to use, in any manner whatsoever, any confidential methods, procedures and techniques associated with the System, the mark "Krystal Klean" and all other Marks and distinctive forms, slogans, signs, symbols, and devices associated with the System. In particular, Franchisee shall cease to use, without limitation, the Vehicle(s), all signs, advertising materials, displays, stationery, forms, and any other articles that display the Marks.

15.3. Cancellation of Assumed Names. Franchisee shall take such action as may be necessary to cancel any assumed name or equivalent registration which contains the mark "Krystal Klean" and all other Marks, and/or any other service mark or trademark of Franchisor, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within five days after termination or expiration of this Agreement.

15.4. Assign Lease; Modification of Premises. Franchisor, or any affiliate of Franchisor, shall have the right and option, but not the obligation, in Franchisor's sole discretion, to acquire the Lease, or otherwise acquire the right to occupy the Franchise Location (if applicable). Franchisor may assign or delegate this right or option to any affiliate or designee of Franchisor. If Franchisor or its assignee or delegatee does not elect or is unable to exercise any option it may have to acquire the Lease, or otherwise acquire the right to occupy the Franchise Location, Franchisee shall make such modifications or alterations to the Franchise Location operated hereunder immediately upon termination or expiration of this Agreement as may be necessary to distinguish the appearance of said premises from that of other Franchises, and shall make such specific additional changes thereto as Franchisor may reasonably request for that purpose. If Franchisee fails or refuses to comply with the requirements of this Section, Franchisor (or its designee) shall have the right to enter upon the premises of the Franchise, without being guilty of trespass or any other tort, for the purpose of making or causing to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee agrees to pay upon demand.

15.5. Telephone, Etc. Franchisee shall cease use of, and if Franchisor requests, shall transfer to Franchisor, all telephone numbers, customer lists, and any domain names, websites, email addresses, social media accounts, and any other identifiers, whether or not authorized by Franchisor, used by Franchisee while operating the Franchise.

15.6. No Confusion. Franchisee agrees, if it continues to operate or subsequently begins to operate any other business, not to use any reproduction, counterfeit copy, or colorable imitation of the Marks, either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake, or deception, or which is likely to dilute Franchisor's rights in and to the Marks, and further agrees not to utilize any designation of origin, description, trademark, service mark, or representation which suggests or represents a present or past association or connection with Franchisor, the System, or the Marks.

15.7. Pay Monies Owed. Franchisee shall promptly pay all sums owing to Franchisor and its subsidiaries and affiliates (regardless of whether those obligations arise under this Agreement or otherwise). In the event of termination for any default of Franchisee, such sums shall include all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of the default.

15.8. Damages and Costs. Franchisee shall pay Franchisor all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this **Article 14.**

15.9. Return of Manuals. Franchisee shall immediately deliver to Franchisor the Manuals and all other manuals, records, and instructions containing confidential information (including, without limitation, any copies thereof, even if such copies were made in violation of this Agreement), all of which are acknowledged to be the property of Franchisor.

15.10. Option to Purchase. Franchisor shall have the option to purchase from Franchisee any or all of the Vehicles and other equipment, signs, fixtures, supplies, or inventory of Franchisee related to the operation of the Franchise, at the lesser of the fair market value or Franchisee's book value. Franchisor shall have 30 days from the expiration or termination of this Agreement to notify Franchisee that Franchisor will exercise its option under this Section, and another 60 days from such notice to complete such purchase. The book value of any such item shall be determined based upon a five-year straight-line depreciation of original costs. For equipment that is five or more years old, the parties agree that fair market value shall be deemed to be 10% of the equipment's original cost. If Franchisor elects to exercise any option to purchase herein provided, it shall have the right to set off all amounts due from Franchisee as well as all amounts due to Franchisor's affiliates from Franchisee. Franchisee shall take all actions as necessary to ensure that any items purchased by Franchisor shall be free of all liens or other encumbrances at the time Franchisee sells such items to Franchisor.

15.11. Right to Enter and Operate. To preserve the goodwill of the System following termination, Franchisor (or its designee) shall have the right to enter the Franchise Location (if applicable), without liability to Franchisee, Franchisee's Principals, or otherwise, or to take possession of the Vehicle(s) and other equipment used by Franchisee for the purpose of continuing the Franchise's operation and maintaining the goodwill of the business for a period of up to 90 days.

15.12. Close Vendor Accounts. Franchisee must close all accounts with vendors which were opened in connection with the opening and operation of the Franchise. Franchisor

has the right to notify Franchisee's vendors that this Agreement has expired or been terminated and to require them to close Franchisee's accounts if Franchisee fails to do so.

15.13. Customer Accounts. Notwithstanding anything to the contrary contained herein or in any other agreement, upon any termination or expiration of this Agreement any and all of Franchisee's customer accounts (including, without limitation, Transferred Accounts) shall automatically be assigned to Franchisor or its designee without further action and without compensation to Franchisee. Franchisee must do all things and take all actions necessary and as reasonably directed by Franchisor to cooperate in the assignment of its customer accounts to Franchisor.

15.14. Security Interest. For the purpose of securing its obligations under this Agreement, Franchisee hereby grants Franchisor a security interest in all personal property related to the operation of the Franchise of any nature now owned or hereinafter acquired by Franchisee, including, but not limited to, all signs, logos bearing any of the Marks, inventory, equipment, Vehicles(s), trade fixtures, furnishings and accounts, together with the proceeds therefrom (the "**Security Agreement**"). Any event of default by Franchisee under this Agreement shall be deemed a breach of the Security Agreement. Franchisee covenants to execute and deliver to Franchisor any and all instruments Franchisor may reasonably request from time to time in order to perfect the security interest granted herein, including, without limitation, the appropriate UCC-1 Financing Statements.

16. COVENANTS

16.1. Full Time and Best Efforts. Franchisee covenants that, during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee (or its Operating Principal if Franchisee is an entity or a Manager who will assume primary responsibility for the Franchise operations and shall have been previously approved in writing by Franchisor) shall devote full time, energy, and best efforts to the management and operation of the Franchise.

16.2. Covenants. Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable and specialized know-how, confidential information, including, without limitation, information regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the System. During the term of this Agreement and for a period of two years from: (a) a transfer permitted under Article 12; (b) the expiration or termination of this Agreement (regardless of the cause for termination); or (c) a final order of a court of competent jurisdiction (after all appeals have been taken) with respect to the enforcement of this Section, Franchisee covenants that it shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or entity:

(a) Divert or attempt to divert any business or customer of the Franchise or of any Krystal Klean franchise or company-owned location to any competitor if Franchisee or any other Krystal Klean location has provided services for such customer within the prior 12-month period, by direct or indirect inducement or otherwise.

(b) Do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with Franchisor's Marks and the System.

This Section does not prevent Franchisee from otherwise engaging in competitive activities such as: (i) providing Services to customers who have not in the previous 12 months been serviced by Franchisee or any Krystal Klean location; or (ii) offering to any customers, including customers otherwise serviced under the Marks, services other than the Services (or

services that are similar to any services provided by System franchisees or company-owned locations from time to time). However, in performing these other services, Franchisee must not represent itself as a franchisee of the System nor otherwise claim any affiliation with the Marks.

16.3. Individual Covenants. To the extent permitted under applicable laws, Franchisee shall require and obtain execution of covenants similar to those set forth in **Article 8** and this **Article 15** (as modified to apply to an individual) from any or all of Franchisee's Principals, the Manager, any replacement Manager and other highly trained personnel as designated by Franchisor. The covenants required by this Section shall be in the form provided in **Attachment 3** to this Agreement.

16.4. Severability. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this **Article 15** is held to be unenforceable or unreasonable by any court, it is the intent of the parties that the court modify such restriction to extent reasonably necessary to protect the legitimate business interests of Franchisor.

16.5. Scope of Covenants. Franchisee understands and acknowledges that Franchisor shall have the right to reduce the scope of any covenant set forth in **Section 15.2**, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof; and Franchisee agrees that it shall comply forthwith with any covenant as so modified.

16.6. Enforcement of Claims. Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this **Article 15**. Franchisee agrees to pay all costs and expenses (including without limitation reasonable attorneys' fees and all other costs) incurred by Franchisor in connection with the enforcement of this **Article 15**.

16.7. Irreparable Injury. Franchisee acknowledges that Franchisee's violation of the terms of this **Article 15** would result in irreparable injury to Franchisor for which no adequate remedy at law may be available, and Franchisee accordingly consents to the issuance of an injunction prohibiting any conduct by Franchisee in violation of the terms of this **Article 15**.

17. TAXES, PERMITS, AND INDEBTEDNESS

17.1. Taxes. Franchisee shall promptly pay when due all taxes levied or assessed, including, without limitation, income, unemployment, and sales taxes, and all accounts and other indebtedness of every kind incurred by Franchisee in the conduct of the Franchise. Franchisee shall pay Franchisor an amount equal to any sales tax, gross receipts tax, or similar tax (other than income tax) imposed on Franchisor with respect to any payments to Franchisor required under this Agreement, unless the tax is credited against income tax otherwise payable by Franchisor.

17.2. Tax Disputes. In the event of any bona fide dispute as to Franchisee's liability for taxes assessed or other indebtedness, Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law; however, in no event shall Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, to occur against the Franchise Location or any material asset.

17.3. Compliance With Laws. Franchisee shall comply with all federal, state, and local laws, rules, and regulations, and shall timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the business franchised under this Agreement, including, without limitation, licenses to do business, fictitious name registrations, sales tax permits, and fire clearances.

17.4. Notification of Claims. Franchisee shall notify Franchisor in writing within three days of receipt of notice of any health or safety violation, the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, or within three days occurrence of any accident or injury which may adversely affect the operation of the Franchise or the financial condition of Franchisee, or give rise to liability or a claim against Franchisee or Franchisor.

18. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

18.1. Independent Contractors. It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them; that Franchisee shall be an independent contractor; and, that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever.

18.2. Identification as Independent Contractor. At all times during the term of this Agreement and any extensions hereof, Franchisee shall hold itself out to the public as an independent contractor operating the business pursuant to a franchise from Franchisor.

18.3. No Agency. It is understood and agreed that nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name; and that Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor shall Franchisor be liable by reason of any act or omission of Franchisee in its conduct of the Franchise or for any claim or judgment arising therefrom against Franchisee or Franchisor.

18.4. Indemnification. Franchisee shall indemnify and hold Franchisor and its affiliates, and their respective officers, directors, members, managers, employees, and agents harmless against any and all claims arising directly or indirectly from, as a result of, or in connection with Franchisee's operation of the Franchise, Franchisee's noncompliance or alleged noncompliance with any law, ordinance, rule or regulation, including, without limitation, any allegation that Franchisor or any of its affiliates is a joint employer or otherwise responsible for Franchisee's acts or omissions relating to any Principal or any of Franchisee's personnel, or Franchisee's breach of this Agreement, including, without limitation, those alleged to be caused by Franchisor's negligence, but not including those claims, obligations, and damages that are determined to be caused solely by Franchisor's gross negligence or willful misconduct according to a final, unappealable ruling issued by a court with competent jurisdiction. If Franchisor incurs any costs or expenses, including, without limitation, legal fees, TLM, and other charges or out of pocket expenses, in connection with any proceeding involving Franchisee in which Franchisor is not a party, Franchisee shall reimburse Franchisor for all such costs and expenses promptly upon presentation of invoices. Franchisee acknowledges and agrees that Franchisee's indemnification and hold harmless obligations under this Section shall survive the termination or expiration of this Agreement. For purposes of this indemnification, **"claims"** include all obligations, losses, damages (actual, consequential, or otherwise), and costs that any indemnified party reasonably

incurs in defending any claim against it including, but not limited to, reasonable accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, TLM, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced.

19. FORCE MAJEURE

Neither party shall be responsible to the other for non-performance or delay in performance occasioned by causes beyond its control, including without limiting the generality of the foregoing: (i) acts of God; (ii) acts of war, terrorism, or insurrection; (iii) strikes, lockouts, labor actions, boycotts, floods, fires, hurricanes, tornadoes, widespread infectious diseases or epidemics/pandemics, and/or other casualties; (iv) the inability of Franchisor and/or its affiliates or suppliers to manufacture, purchase, and/or cause delivery of any products used in the operation of the Franchise; and (v) legislative changes and/or governmental orders affecting the sale of the services or products from Franchises. The ability or inability of either party to obtain and/or remit funds shall be considered within control of such party.

20. APPROVALS AND WAIVERS

20.1. Approvals. Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor therefor, and such approval or consent must be obtained in writing.

20.2. No Warranties. Franchisee acknowledges and agrees that Franchisor makes no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee, by providing any waiver, approval, consent, or suggestion to Franchisee in connection with this Agreement, or by reason of any neglect, delay, or denial of any request therefor.

20.3. Waivers. No delay, waiver, omission, or forbearance on the part of Franchisor to exercise any right, option, duty, or power arising out of any breach or default by Franchisee or any other franchisee under any of the terms, provisions, covenants, or conditions of this Agreement, and no custom or practice by the parties at variance with the terms of this Agreement, shall constitute a waiver by Franchisor to enforce any such right, option, duty, or power as against Franchisee, or as to subsequent breach or default by Franchisee. Subsequent acceptance by Franchisor of any payments due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding or succeeding breach by Franchisee of any terms, provisions, covenants, or conditions of this Agreement.

21. NOTICES

All notices and other communications required or permitted under this Agreement will be in writing and will be given by one of the following methods of delivery: (i) personally; (ii) by certified or registered mail, postage prepaid; or (iii) by overnight delivery service. Notices to Franchisee will be sent to the address set forth on the Summary Page. Notices to Franchisor must be sent to:

Krystal Klean Franchisor, LLC
1326 Tamson Street
Suite 201
Cambria, California 93428
Attention: Chief Executive Officer

With a copy to:
Kathryn B. Shipe, Esq.
Shipe Dosik Law LLC
2107 N. Decatur Road, Unit 347
Decatur, Georgia 30033

Either party may change its mailing address by giving notice to the other party. Notices will be deemed received the same day when delivered personally or upon actual or attempted delivery when sent by registered or certified mail or overnight delivery service.

22. ENTIRE AGREEMENT AND AMENDMENT

This Agreement and the exhibits, schedules, and attachments referred to herein constitute the entire, full, and complete Agreement between Franchisor and Franchisee concerning the subject matter hereof, and supersede any and all prior or contemporaneous negotiations, discussions, understandings and agreements. No other representations have induced Franchisee to execute this Agreement. There are no other oral or written understandings or agreements between Franchisor and Franchisee, or oral representations by Franchisor, or written representations by Franchisor (other than those set forth in Franchisor's Franchise Disclosure Document provided by Franchisor to Franchisee), relating to the subject matter of this Agreement, the franchise relationship, or the Franchise (and any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement). Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. Nothing in this Agreement or any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document.

23. SEVERABILITY AND CONSTRUCTION

23.1. Severability. If any of the provisions of this Agreement may be construed in more than one way, one of which would render the provision illegal or otherwise voidable or unenforceable, such provision shall have the meaning which renders it valid and enforceable. The language of all provisions of this Agreement shall be construed according to its fair meaning and not strictly against any party. If any court or other government authority shall determine any provision in this Agreement is not enforceable as written, the parties agree that the provision shall be amended so that it is enforceable to the fullest extent permissible under the laws and public policies of the jurisdiction in which enforcement is sought and affords the parties the same basic rights and obligations and has the same economic effect. If any provision in this Agreement is held invalid or otherwise unenforceable by any court or other government authority or in any arbitration proceeding, such findings shall not invalidate the remainder of this Agreement unless in the reasonable opinion of Franchisor the effect of such determination has the effect of frustrating the purpose of this Agreement, whereupon Franchisor shall have the right by notice in writing to the other party to immediately terminate this Agreement.

23.2. No Other Rights. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or entity other than Franchisee and Franchisor, except with respect to the named indemnitees and Franchisee's indemnification obligations under **Section 17.4.**

23.3. Construction. All captions in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

23.4. Importance of Timely Performance. Time is of the essence in this Agreement.

23.5. Survival of Provisions. All provisions of this Agreement which, by their terms or intent, are designed to survive the expiration or termination of this Agreement, shall so survive the expiration and/or termination of this Agreement.

23.6. Additional Terms; Inconsistent Terms. The parties may provide additional terms by including the terms on the Summary Page. To the extent that any provisions of the Summary Page are in direct conflict with the provisions of this Agreement, the provisions of the Summary Page shall control.

24. APPLICABLE LAW AND DISPUTE RESOLUTION

24.1. Governing Law. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other applicable federal statute, this Agreement and all claims arising from the relationship between the parties or relating in any way to the validity, interpretation or enforcement of this Agreement, including, but not limited to, the validity and scope of the arbitration provisions under this Article will be governed by the laws of Delaware, without regard to any conflict of laws rules. Nothing in this **Section 23.1** is intended by the parties to subject this Agreement to any franchise, business opportunity, consumer protection, or similar law, rule, or regulation of the State of Delaware to which this Agreement would not otherwise be subject.

24.2. Arbitration.

(a) Disputes Subject to Arbitration. Except as otherwise provided in **Section 23.2.7,** the parties agree that any and all disputes arising out of this Agreement, the relationship of the parties or relating in any way to the validity, interpretation or enforcement of this Agreement, including, but not limited to, the validity and scope of the arbitration provisions under this Article shall be resolved exclusively through binding arbitration. The arbitration proceedings will be conducted before a single arbitrator according to the then-current commercial arbitration rules of the American Arbitration Association ("**AAA**"). Unless otherwise agreed to by Franchisor, the arbitration shall be conducted in Passaic County, New Jersey. The arbitrator will render a decision based on, and consistent with, Delaware law based on the facts and evidence that are properly introduced during the course of the arbitration. The arbitrator's decision shall be final and enforceable against the parties. Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

(b) Periods of Limitation; Counterclaims. The parties agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, including, but not limited to, those set forth in **Section 23.6** herein, whichever expires earlier. The parties further agree that, in any arbitration proceeding, each must submit or file any claim that would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim of the other party to which it relates. Any claim which is not submitted or filed as required is waived and forever barred. The arbitrator may not consider any settlement discussions or

offers that might have been made by either party, including, without limitation, any that may have been made during a mediation of the parties' dispute.

(c) Class Actions. Franchisee, its affiliates and their respective equity holders, officers, directors, agents, and/or employees shall not pursue class claims, multi-plaintiff, consolidated or representative actions in any arbitration to which Franchisor, its affiliates or any of their respective equity holders, officers, directors, agents, and/or employees are parties. Notwithstanding the foregoing, if any court determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section, then the parties agree that this arbitration clause shall not apply to that dispute and that such dispute shall be resolved in a judicial proceeding.

(d) Confidentiality. All documents, information, and results pertaining to any arbitration will be confidential, except as required by law or as required for Franchisor to comply with laws and regulations applicable to the sale of franchises.

(e) Performance During Arbitration. Franchisor and Franchisee will comply with this Agreement and perform their respective obligations under this Agreement during the arbitration process.

(f) Damages. The arbitrator has the right to award or include in his or her award any relief which he or she deems proper including, but not limited to, money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs, provided that the arbitrator may not award any punitive or exemplary damages against either party (the parties hereby waiving to the fullest extent permitted by law, any right to or claim for any punitive or exemplary damages against the other).

(g) Exceptions. Notwithstanding anything contained herein, Franchisor reserves the right to seek temporary restraining orders, preliminary injunctions or other interim relief when deemed necessary to preserve the status quo or prevent irreparable injury pending resolution by arbitration of the actual dispute and to make claims relating to unpaid amounts owed by Franchisee to Franchisor in any court of competent jurisdiction. The parties acknowledge and agree that the rights of Franchisor under this Agreement with respect to the use of the Marks and the System and the enforcement of the in-term and post-term nonsolicitation covenants of Franchisor are of a specialized and unique nature and that immediate and irreparable damage will result to Franchisor if Franchisee fails or refuses to perform obligations under this Agreement, and, notwithstanding any election by Franchisor to claim damages from Franchisee as a result of such failure or refusal, Franchisor may, in addition to any other remedies and damages available, seek an injunction in any court of competent jurisdiction to restrain such failure or refusal.

24.3. Venue. For any matter which is not subject to the arbitration provisions of **Section 23.2**, each party hereto consents to personal jurisdiction in the federal or state courts located in Passaic County, New Jersey. Franchisee and the Principals hereby waive all claims relating to lack of personal jurisdiction or improper venue for the purpose of carrying out this provision. This exclusive choice of jurisdiction and venue provision does not restrict the ability of the parties to confirm or enforce judgments or awards including, but not limited to, arbitration awards pursuant to **Section 23.2**, in any appropriate jurisdiction.

24.4. No Exclusive Remedies. Except as provided herein, no right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

24.5. Waiver of Jury Trial. Franchisor and Franchisee irrevocably waive trial by jury in any action or proceeding, whether at law or in equity, properly brought by either of them against the other.

24.6. Limitation of Actions. Except as otherwise provided herein, any and all claims and actions arising out of or relating to this agreement, the relationship of Franchisee and Franchisor, or Franchisee's operation of the Franchise (including any defenses or any claims of set-off or recoupment) must be brought or asserted before the expiration of the earlier of (i) the time period for bringing an action under any applicable state or federal statute of limitations; (ii) one year after the date upon which a party discovered, or should have discovered, the facts giving rise to an alleged claim; or (iii) two years after the first act or omission giving rise to an alleged claim; or it is expressly acknowledged and agreed by all parties that such claims or actions shall be irrevocably barred. Notwithstanding the foregoing, claims of Franchisor attributable to failure to pay monies owed and/or indemnification shall be subject only to the applicable state or federal statute of limitations.

24.7. Limitation on Damages. In any action arising out of or relating to this Agreement or the relationship of the parties, in no event shall Franchisor be liable to Franchisee for more than total amounts paid to Franchisor for the Initial Franchise Fee and Royalty Fees.

24.8. Costs and Attorneys' Fees. If either Franchisor or Franchisee seeks to enforce this Agreement in an arbitration or a judicial or other proceeding, the prevailing party shall be entitled to recover its reasonable costs and expenses (including attorneys' fees, attorneys' assistants' fees, accountants' fees, expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and TLM, salaries and benefits of those employees participating in such proceeding) incurred in connection with such judicial or other proceeding.

25. ACKNOWLEDGMENTS

25.1. [intentionally deleted]

25.2. No Waiver. 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 any statement made by any franchisor, franchise seller or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

25.3. Representations and Warranties. Franchisee and its Principals represent and warrant to Franchisor that: (i) neither Franchisee nor any of its Principals have made any untrue statement of any material fact nor omitted to state any material fact in obtaining the rights granted herein; (ii) neither Franchisee nor any of its Principals have any direct or indirect legal or beneficial interest in any business that may be deemed a competitive business, except as otherwise completely and accurately disclosed in its franchise application materials; and (iii) Franchisee and its Principals have a legal right to own and operate the Franchise. Franchisee recognizes that Franchisor approved Franchisee in reliance on all of the statements Franchisee and its Principals have made in connection therewith, and that Franchisee has a continuing obligation to advise Franchisor of any material changes in these statements and representations made to Franchisor in this Agreement or in the franchise application.

25.4. Compliance with Executive Order 13224. Under applicable U.S. law, including, without limitation, Executive Order 13224, signed on September 23, 2001 ("**Order**"),

Franchisor is prohibited from engaging in any transaction with any person engaged in, or with a person aiding any person engaged in, acts of terrorism, as defined in the Order. Accordingly, Franchisee represents and warrants to Franchisor that, as of the date of this Agreement, neither Franchisee nor any person holding any ownership interest in Franchisee, controlled by Franchisee, or under common control with Franchisee is designated under the Order as a person with whom business may not be transacted by Franchisor, and that Franchisee: (i) does not, and hereafter will not, engage in any terrorist activity; (ii) are not affiliated with and do not support any individual or entity engaged in, contemplating, or supporting terrorist activity; and (iii) are not acquiring the rights granted under this Agreement with the intent to generate funds to channel to any individual or entity engaged in, contemplating, or supporting terrorist activity, or to otherwise support or further any terrorist activity.

25.5. No Other Obligations. Each party represents and warrants to the others that there are no other agreements, court orders, or any other legal obligations that would preclude or in any manner restrict such party from: (i) negotiating and entering into this Agreement; (ii) exercising its rights under this Agreement; and/or (iii) fulfilling its responsibilities under this Agreement.

25.6. Business Judgment. Franchisee understands and agrees that Franchisor may operate and change the System in any manner that is not expressly and specifically prohibited by this Agreement. Whenever Franchisor has expressly reserved in this Agreement or is deemed to have 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 and specifically provided in this Agreement, Franchisor may make such decision or exercise its right and/or discretion on the basis of Franchisor's judgment of what is in Franchisor's best interests, including without limitation Franchisor's judgment of what is in the best interests of the System at the time Franchisor's decision is made or its right or discretion is exercised, without regard to whether: (i) other reasonable alternative decisions or actions, or even arguably preferable alternative decisions or actions, could have been made by Franchisor; (ii) Franchisor's decision or the action taken promotes Franchisor's financial or other individual interest; (iii) Franchisor's decision or the action it takes applies differently to Franchisee and one or more other franchisees or Franchisor's company-owned or affiliate-owned operations; or (iv) Franchisor's decision or the exercise of its right or discretion is adverse to Franchisee's interests. In the absence of an applicable statute, Franchisor will have no liability to Franchisee for any such decision or action. Franchisor and Franchisee intend that the exercise of Franchisor's right or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, Franchisor and Franchisee agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants Franchisor the right to make decisions, take actions and/or refrain from taking actions not inconsistent with Franchisee's rights and obligations hereunder.

25.7. Consultation. Franchisee acknowledges that it has read and understands this Agreement, the exhibits, schedules and attachments hereto, and agreements relating thereto, if any, and that Franchisor has accorded Franchisee ample time and opportunity to consult with advisors (including attorneys) of Franchisee's own choosing about the potential benefits and risks of entering into this Agreement.

IN WITNESS WHEREOF, the parties hereto have duly signed and delivered this Agreement on the day and year first above written.

KRYSTAL KLEAN FRANCHISOR, LLC

By:_____
Lorraine Matarazzo, Chief Administrative Officer

_____
[INSERT ENTITY NAME]

By:_____
Name: _____
Title:_____

Attachment 1
to
Franchise Agreement

LEASE RIDER

BY AND BETWEEN

_____, AS "LANDLORD"

AND

_____, AS "TENANT" FOR THE DEMISED PREMISES **("PREMISES")** DESCRIBED THEREIN

This Rider and the provisions hereof are hereby incorporated into the body of the lease to which this Rider is attached (the **"Lease"**), and the provisions hereof shall be cumulative of those set forth in the Lease, but to the extent of any conflict between any provisions of this Rider and the provisions of the Lease, this Rider shall govern and control.

1. Consent to Collateral Assignment to Franchisor. If Franchisor takes possession of the Premises and confirms to Landlord that Franchisor has assumed the Lease as tenant thereunder, Landlord will recognize Franchisor as tenant under the Lease. Landlord agrees that in such event Franchisor may further assign the Lease to or enter into a sublease with a person or entity who agrees to assume the tenant's obligations under the Lease and is reasonably acceptable to Landlord and that, upon that assignment, Franchisor will have no further liability or obligation under the Lease as assignee, tenant or otherwise, other than to certify that the additional assignee or sublessee operates the Premises as a Franchise.

2. Use of Premises. Without limitation of uses permitted under the Lease, but in expansion thereof, the Premises may be used for the purpose of operating a business that specializes in commercial and residential pressure washing and window washing and related services.

3. Compliance of Premises with Applicable Law. Landlord represents and warrants that as of the date hereof the Premises are in compliance with all applicable law.

4. Notice and Cure Rights to Franchisor. Prior to exercising any remedies under the Lease (except in the event of imminent danger to the Premises), Landlord shall give Franchisor written notice of any default thereunder by Tenant, and commencing upon receipt thereof by Franchisor, Franchisor shall have the same length cure period as is given to Tenant under the Lease for such default, provided that in no event shall Franchisor have a cure period of less than (i) 10 days after Franchisor's receipt of such notice as to monetary defaults or (ii) 30 days after Franchisor's receipt of such notice as to non-monetary defaults. Landlord agrees to accept cure tendered by Franchisor as if the same was tendered by Tenant, but Franchisor has no obligation to cure such default.

The initial address for notices to Franchisor is as follows:

Krystal Klean Franchisor, LLC
1326 Tamson Street
Suite 201
Cambria, California 93428
Attention: Chief Executive Officer

5. Third Party Beneficiary. For so long as Franchisor holds a collateral assignment of the Lease, Franchisor is a third-party beneficiary of the Lease.

6. Franchisor Right to Enter. Upon the expiration or earlier termination of the Lease or the Franchise Agreement, Franchisor or its designee may enter upon the Premises for the purpose of removing all signs and other material bearing the Krystal Klean name or trademarks, service marks or other commercial symbols of Franchisor.

AGREED and executed and delivered under seal by the parties hereto as of the day and year of the Lease.

LANDLORD: _____ **TENANT**: _____

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

Attachment 2
to
Franchise Agreement

GUARANTEE, INDEMNIFICATION, AND ACKNOWLEDGMENT

As an inducement to KRYSTAL KLEAN FRANCHISOR, LLC, a Delaware limited liability company ("**Franchisor**"), to execute the Franchise Agreement between Franchisor and _____ ("**Franchisee**"), dated _____ (the "**Agreement**"), the undersigned, jointly and severally, hereby unconditionally guarantee to Franchisor and Franchisor's successors and assigns that all of Franchisee's monetary and other obligations under the Agreement will be punctually paid and performed. Each of the undersigned has had the opportunity to review the Agreement and understands his or her obligations hereunder and thereunder.

Upon demand by Franchisor, the undersigned each hereby jointly and severally agree to immediately make each payment required of Franchisee under the Agreement and waive any right to require Franchisor to: (a) proceed against Franchisee for any payment required under the Agreement; (b) proceed against or exhaust any security from Franchisee; (c) pursue or exhaust any remedy, including any legal or equitable relief, against Franchisee; or (d) give notice of demand for payment by Franchisee. Without affecting the obligations of the undersigned under this Guarantee, Franchisor may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust, or compromise any claims against Franchisee, and the undersigned each hereby jointly and severally waive notice of same and agree to remain and be bound by any and all such amendments and changes to the Agreement.

The undersigned each hereby jointly and severally agree to defend, indemnify and hold Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorney's fees, reasonable costs of financial and other investigation, court costs, and fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Franchisee to perform any obligation of Franchisee under the Agreement, any amendment thereto, or any other agreement executed by Franchisee referred to therein.

The undersigned each hereby jointly and severally acknowledge and expressly agree to be individually bound by the covenants contained in **Articles 8** (confidential information), **12** (transfer), **14** (post-termination obligations) and **15** (covenants) and **Section 17.4** (indemnification) of the Agreement, and acknowledge and agree that this Guarantee does not grant the undersigned any right to use the "Krystal Klean" marks or system licensed to Franchisee under the Agreement. Each of the undersigned represents that he or she has received a copy of the Franchise Agreement and understands his or her obligations hereunder and thereunder.

Upon the death of an individual guarantor, the estate of such guarantor shall be bound by this Guarantee, but only for defaults and obligations hereunder existing at the time of death; and the obligations of the other guarantors will continue in full force and effect.

If Franchisor is required to enforce this Guarantee in a judicial or arbitration proceeding, and prevails in such proceeding, Franchisor shall be entitled to reimbursement of its costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', arbitrators', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, travel and room and board expenses, salaries and benefits of those of

Franchisor's employee's participating in such proceeding, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If Franchisor is required to engage legal counsel in connection with any failure by the undersigned to comply with this Guarantee, the undersigned shall reimburse Franchisor for any of the above-listed costs and expenses Franchisor incurs.

Unless specifically stated otherwise, the terms used in this Guarantee shall have the same meaning as in the Agreement and shall be interpreted and construed in accordance with **Articles 22** and **23** of the Agreement. This Guarantee shall be interpreted and construed under the laws of the State of Delaware. In the event of any conflict of law, the laws of the State of Delaware shall prevail (without regard to, and without giving effect to, the application of Delaware conflict of law rules). The dispute resolution and arbitration provisions of **Article 23** of the Agreement shall apply to any disputes relating to this Guaranty. For claims not subject to arbitration, jurisdiction and venue shall be in the state or federal courts located in Passaic County, New Jersey, and the undersigned hereby waives any objection to such jurisdiction and venue.

IN WITNESS WHEREOF, each of the undersigned has signed this Guarantee as of the date of the Agreement.

GUARANTOR(S)

Signed:_____
(In his/her individual capacity)

Name:_____
Address:_____
_____

Signed:_____
(In his/her individual capacity)

Name:_____
Address:_____
_____

Attachment 3
to
Franchise Agreement

NONDISCLOSURE AND NONSOLICITATION AGREEMENT

THIS NONDISCLOSURE AND NONSOLICITATION AGREEMENT ("**Agreement**") is made _____ by and between _____ (the "**Franchisee**"), and _____, who is a principal, manager, supervisor, member, partner, or a person in a managerial position with, Franchisee (the "**Member**").

BACKGROUND:

A. Krystal Klean Franchisor, LLC, a Delaware limited liability company ("**Franchisor**") owns a format and system (the "**System**") relating to the establishment, development and operation of franchises that offer pressure washing, window cleaning and other approved services using specially equipped Krystal Klean service vehicles under the name "Krystal Klean" (and such other names designated by Franchisor, the "**Marks**");

B. Franchisor and Franchisee have executed a Franchise Agreement ("**Franchise Agreement**") granting Franchisee the right to operate a Krystal Klean franchise (the "**Franchise**") under the terms and conditions of the Franchise Agreement; and

C. The Member, by virtue of his or her position with Franchisee, will gain access to certain of Franchisor's confidential information and must therefore be bound by the same confidentiality and nonsolicitation agreement that Franchisee is bound by.

IN CONSIDERATION of these premises, the conditions stated herein, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

1. Confidential Information. Member shall not, during the term of the Franchise Agreement or thereafter, communicate, divulge, or use for the benefit of any other person or entity, persons, partnership, entity, association, or corporation any confidential information, knowledge, or know how concerning the methods of operation of the Franchise which may be communicated to Member or of which Member may be apprised by virtue of Franchisee's operation of the Franchise. All information, knowledge, knowhow, and techniques which Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement, except information which Franchisee can demonstrate came to its attention prior to disclosure thereof by Franchisor; or which, at or after the time of disclosure by Franchisor to Franchisee, had become or later becomes a part of the public domain, through publication or communication by others.

2. Covenants.

(a) Member specifically acknowledges that, pursuant to the Franchise Agreement, and by virtue of its position with Franchisee, Member will receive valuable specialized know-how and confidential information, including, without limitation, information regarding the operational, sales, promotional, and marketing methods and techniques of Franchisor and the System.

(b) During the Restriction Period (as defined below), Member shall not, either directly or indirectly, for himself or herself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or entity:

(i) divert or attempt to divert any customer of the Franchise or of any Krystal Klean location to any competitor if Franchisee or any other Krystal Klean location has provided Krystal Klean services for such customer within the prior 12-month period, by direct or indirect inducement or otherwise; or

(ii) do or perform, directly or indirectly, any act injurious or prejudicial to the goodwill associated with the Marks and the System; or

The **"Restriction Period"** is a period of two years from the date (A) a transfer permitted under the Franchise Agreement such that Member no longer is an equity owner of Franchisee and is not an employee, consultant, contractor of Franchisee or otherwise involved with Franchisee such that he or she has access to Franchisor's confidential information; (B) the expiration or termination of the Franchise Agreement for any reason; (C) the termination of Member's employment or engagement with Franchisee; or (D) a final order of a court of competent jurisdiction (after all appeals have been taken) with respect to the enforcement of this **Section.**

(c) This Section does not prevent Member from otherwise engaging in competitive activities such as: (i) providing mobile commercial and residential pressure washing and window washing to customers who have not in the previous 12 months been serviced by Franchisee or any other Krystal Klean business; or (ii) offering to any customers, including customers otherwise serviced under the Marks and System, services that are not similar to the Krystal Klean services then being provided by Franchisee or other System locations. However, in performing these other services, Member must not represent itself as a representative of any franchisee of the System nor otherwise claim any affiliation with the Marks.

3. Injunctive Relief. Member acknowledges that any failure to comply with the requirements of this Agreement will cause Franchisor irreparable injury, and Member agrees to pay all court costs and reasonable attorney's fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Agreement.

4. Severability. All agreements and covenants contained herein are severable. If all or any portion of the covenants in this Agreement is held to be unenforceable or unreasonable by any court, then it is the intent of the parties that the court modify such restriction to extent reasonably necessary to protect the legitimate business interests of Franchisor.

5. Governing Law. This Agreement will be governed by and construed and enforced in accordance with the internal laws (and not the choice-of-law rules) of the State of _____.

6. Notices. All notices, requests, payments, instructions or other documents to be given hereunder will be in writing or by written telecommunication, and will be deemed to have been duly given if delivered personally or if mailed by certified mail, return receipt requested, postage prepaid, or sent by written telecommunication as follows:

If to Franchisee:

_____
_____
_____
_____

If to Member:

_____
_____
_____

Such names and addresses may be changed by such notice.

7. Entire Agreement. This Agreement and the documents referred to herein contain the entire understanding of the parties hereto with respect to the subject matter contained herein and supersede and cancel all prior agreements, negotiations, correspondence, undertakings and communications of the parties, oral or written, respecting such subject. There are no promises, representations, warranties, agreements or undertakings of either party with respect to the transactions under this Agreement other than those specifically set forth in this Agreement.

8. Amendments. This Agreement may be amended or modified only by a written instrument executed by the parties.

9. Counterparts. This Agreement may be executed by the Parties in separate counterparts, each of which when so executed and delivered will be an original, but all such counterparts will together constitute but one and the same instrument. Counterparts of the signature pages hereto signed and delivered to other parties hereto via facsimile or other reliable electronic means (including emails of pdf documents or digitally such as DocuSign) shall for all purposes be deemed to constitute the delivery of an originally executed counterpart hereof.

10. Assignment. This agreement will inure to the benefit of and be binding upon the parties and their respective successors and permitted assigns. Each party may not assign its rights or duties under this Agreement without the prior written consent of the other party.

11. Delay or Waiver. No delay or failure by Franchisor or the Franchisee to exercise any right under this Agreement, and no partial or single exercise of that right, shall constitute a waiver of that or any other right provided herein, and no waiver of any violation of any terms and provisions of this Agreement shall be construed as a waiver of any succeeding violation of the same or any other provision of this Agreement.

12. Third-Party Beneficiary. Member hereby acknowledges and agrees that Franchisor is an intended third-party beneficiary of this Agreement with the right to enforce it, independently or jointly with Franchisee.

IN WITNESS WHEREOF, Franchisee and the Member attest that each has read and understands the terms of this Agreement, and voluntarily signed this Agreement on _____.

FRANCHISEE:	**MEMBER:**
_____	_____
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

EXHIBIT D

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (the "**Agreement**") is made and entered into on _____ ("**Effective Date**") by and between **KRYSTAL KLEAN FRANCHISOR, LLC**, a Delaware limited liability company, whose principal place of business is 1326 Tamson Street, Suite 201, Cambria, California 93428 ("**Franchisor**", **"we"**, or "**us**"); and _____ whose principal place of business is _____("**Developer**" or "**you**").

BACKGROUND:

A. Franchisor owns a format and system (the "**System**") relating to the establishment, development and operation of businesses that operate under the Marks (as defined below) and which specialize in mobile, on-site pressure washing services, window cleaning services and related services (each, a "**Franchise**");

B. The distinguishing characteristics of the System include, without limitation, distinctive business formats; procedures; the Krystal Klean confidential operations manual; procedures for operations, management and inventory control; training and assistance; and advertising and promotional programs; all of which may be changed, improved, and further developed by Franchisor from time to time;

C. Kept Companies, Inc., a Delaware corporation, is the owner of the right, title and interest, together with all the goodwill connected thereto, in and to the trade name, service mark and trademark **"KRYSTAL KLEAN"** and associated logos, commercial symbols and such other trade names, service marks and trademarks as are now, or in the future, designated as an integral part of the System (the "**Marks**");

D. Franchisor continues to develop, use, and control the use of such Marks to identify for the public the source of services and products marketed thereunder and under the System, and to represent the System's high standards of quality, appearance, and service;

E. Franchisor grants to qualified persons licenses to own and operate Franchises;

F. Developer has entered into a Franchise Agreement (the **"First Franchise Agreement"**) under which it has obtained the right to operate a Franchise in a specified geographic area that is comprised of a "Residential Service Territory" and a "Commercial Services Territory" (as defined in the First Franchise Agreement), and wishes to have the right to develop additional Franchises in one or more additional geographic areas that are specified in Paragraph 1 of **Attachment 1** attached hereto (each, a **"Development Area"**; collectively, the **"Development Areas"**); and

G. Developer and Franchisor wish to enter into this Agreement to reflect the understandings and agreements that they have reached with respect to the foregoing points and the other matters that are addressed herein.

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party set forth herein, hereby agree as follows:

1 GRANT

1.1 Grant. Subject to the terms and conditions of this Agreement, Franchisor hereby grants to Developer the right to establish and operate Franchises in the corresponding Development Areas set forth in the chart in Paragraph 1 of **Attachment 1** (each right to establish and operate a Franchise in a Development Area is a **"Development Right"**).

1.1.1 Developer must exercise each Development Right by delivering to Franchisor a signed Franchise Agreement and paying the **"Balance of the Initial Franchise Fee"** by the **"Development Deadline"** corresponding to the relevant Development Right as stated in the chart in Paragraph 2 of **Attachment 1**.

1.1.2 In addition, Developer must commence operations of the Franchise by the **"Franchise Opening Deadline"** specified in the chart in Paragraph 2 of **Attachment 1**.

1.1.3 If, at any time during the term of this Agreement, Developer fails to exercise any Development Right by a Development Deadline, if any Franchise does not open by the Franchise Opening Deadline, or if any Franchise opened pursuant to this Agreement ceases operations for any reason, Franchisor shall have the right, but not the obligation, to exercise Franchisor's termination rights, and other rights, pursuant to **Section 5**.

The deadlines and time frames with respect to each Development Right provided in Paragraph 2 of Exhibit A are referred to herein is the **"Development Schedule"**.

1.2 Restrictions on Development by Franchisor. Until the earlier of (a) the termination or expiration of this Agreement; or (b) the last Franchise Opening Deadline specified in the Development Schedule, if Developer (or its affiliate, as applicable) is in compliance with its obligations under this Agreement and each Franchise Agreement between Developer (including any affiliate of Developer) and Franchisor, Franchisor and its affiliates will not provide mobile, on-site pressure washing services or window cleaning services under the Marks to residential buildings in the Residential Services Territory or to "smaller" commercial buildings in the Commercial Services Territory; or (b) grant a third party a license to operate a business that provides mobile, on-site pressure washing services or window cleaning services under the Marks to residential buildings in the Residential Services Territory or "smaller" commercial buildings in the Commercial Services Territory. Notwithstanding the foregoing, Franchisor reserves all of the same rights within the Development Areas that it has in the Territory under the First Franchise Agreement. As used in this Agreement, "residential buildings" are buildings and other structures that are primarily residential in nature. "'Smaller' commercial buildings" are buildings and other structures that are primarily commercial in nature that have two stories or less. A building that is multi-use, is two stories or less and has a minimum of two residential units shall be deemed a residential building for purposes of this Agreement. All other multi-use buildings shall be deemed by Franchisor to be residential or "smaller" commercial buildings in accordance with the guidelines established by Franchisor from time to time in the Krystal Clean Operations Manual or otherwise in writing. Any dispute as to whether a building is residential or "smaller" commercial shall be determined by Franchisor in its sole discretion, and Franchisor's determination shall be final and binding on the parties.

1.3 [intentionally deleted]

1.4 Franchise Agreements. Franchisor, in its sole discretion, may permit one or more Franchise Agreements to be executed by entities other than Developer; provided that (a)

Developer owns a controlling ownership interest in the Developer entity; (b) Franchisor approves the ownership structure of, and each owner in, the Developer entity; and (c) each owner of the Developer entity executes a guarantee guaranteeing to Franchisor the timely payment and performance of the Developer's obligations under the Franchise Agreement. The First Franchise Agreement and the franchise agreement for each additional Franchise developed hereunder will be in the form of franchise agreement being offered generally by Franchisor at the time each such Franchise Agreement is executed; except that for each franchise agreement executed, Developer shall be credited the portion of the Development Fee paid to Franchisor for such Franchise pursuant to **Section 2.1** of this Agreement. If Developer is in full compliance with this Agreement and all other franchise agreements with Franchisor, then, notwithstanding anything to the contrary in any of the franchise agreements, for each franchise agreement for a Franchise established hereunder, the initial franchise fee and royalty fee shall be as set forth in the First Franchise Agreement.

1.5 Extension. Time is of the essence with respect to the Development Schedule. Developer acknowledges and agrees that the time limits and time frames set forth in the Development Schedule, and not those in the Franchise Agreement, shall govern Developer's obligations with respect to the Franchise Agreements issued hereunder. Notwithstanding the foregoing, and provided that Developer is in compliance with this Agreement, Developer has the right to extend any of the time periods set forth in the Development Schedule for one or more Franchises; provided, however, that (a) such extension may be exercised only one time during the term of this Agreement; (b) the extension may not be longer than six months; (c) Developer provides Franchisor with written notice at least 60 days prior to a deadline; and (d) Developer pays Franchisor a non-refundable extension fee equal to $10,000 for each Franchise for which the time period set forth in the Development Schedule is to be extended.

1.6 No Rights in Marks. This Agreement is not a franchise agreement and does not grant to Developer any right to use in any manner the Marks or System.

1.7 No Sublicensing. Developer shall have no right under this Agreement to license others to use in any manner the Marks or System.

2 FEES

2.1 Development Fee. Developer has already made payment in full of the initial franchise fee owed under the First Franchise Agreement. In consideration of the Development Rights granted herein, Developer shall pay to Franchisor a development fee equal to 50% of the initial franchise fees required for all franchise agreements subsequent to the First Franchise Agreement (the "**Development Fee**"). The total Development Fee is specified in **Attachment 1,** and such Development Fee shall be paid to Franchisor on or before the date of this Agreement. At such times as Developer executes each franchise agreement pursuant to this Agreement, the portion of the Development Fee that is applicable to each Franchise will be credited toward the initial franchise fee due for such Franchise, and the **"Balance of the Initial Franchise Fee"** set forth on **Attachment 1** shall be due on or prior to the date of execution of the relevant Franchise Agreement.

2.2 Non-Refundability. The Development Fee is fully earned when received by Franchisor and is non-refundable in consideration of administrative and other expenses incurred by Franchisor and for the development opportunities lost or deferred as a result of the rights granted Developer herein.

3 TERM

The term of this Agreement and all rights granted hereunder shall expire on the last Franchise Opening Deadline specified in Paragraph 2 of **Attachment 1** unless this Agreement is earlier terminated in accordance with this Agreement. Developer has no rights to renew this Agreement, and no rights to extend this Agreement, except for the limited right to a one-time extension of the Development Schedule described in **Section 1.5**.

4 DUTIES OF DEVELOPER

4.1 Developer's Obligations. Except as otherwise approved in writing by Franchisor, if Developer is an entity, it shall: (i) furnish Franchisor with a copy of its formation documents (including its operating agreement if Developer is a limited liability company), as well as such other documents as Franchisor may reasonably request, and any amendment thereto; and (ii) prepare and maintain, a current list of all Owners of record and all beneficial owners of any class of voting stock, or partnership, or member interest, of or in Developer and furnish the list to Franchisor upon request, which list shall be amended to reflect changes in ownership, as permitted under this Agreement. In addition, all of the legal and beneficial owners of Developer (the **"Owners"**) as designated by Franchisor shall execute an Indemnification and Acknowledgement in the form attached hereto as **Attachment 2**.

5 DEFAULT

5.1 Automatic Termination. Developer shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to Developer, if Developer shall become insolvent or makes a general assignment for the benefit of creditors; or if a petition in bankruptcy is filed by Developer or such a petition is filed against and not opposed by Developer; or if Developer is adjudicated bankrupt or insolvent; or if a bill in equity or other proceeding for the appointment of a receiver of Developer or other custodian for Developer's business or assets is filed and consented to by Developer; or if a receiver or other custodian (permanent or temporary) of Developer's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Developer; or if a final judgment remains unsatisfied or of record for 30 days or longer (unless appealed or a supersedeas bond is filed); or if Developer is dissolved; or if execution is levied against Developer's business or property; or if suit to foreclose any lien or mortgage against the premises or equipment of any Franchise developed hereunder is instituted against Developer and not dismissed within 30 days; or if the real or personal property of Developer shall be sold after levy thereupon by any sheriff, marshal, or constable.

5.2 Termination Upon Notice. Upon the occurrence of any of the following events of default, Franchisor may, at its option, terminate this Agreement and all rights granted hereunder or take any of the actions described in **Section 5.3** below, without affording Developer any opportunity to cure the default, effective immediately upon the provision of written notice to Developer:

5.2.1 If Developer fails to meet its obligations under **Sections 1.1.1** through **1.1.3**;

5.2.2 If the Franchise Agreement for any Franchise operated by Developer (or its affiliate) is terminated by Franchisor due to default;

5.2.3 Franchise or any Owner violates **Section 6** or **Section 7**;

5.2.4 Developer does not provide executed non-competition covenants in accordance with **Section 7.4** within 14 days after Franchisor's request; and

5.2.5 Any other violation of this Agreement by Developer that is not cured within 30 days after Franchisor has given Developer written notice of the same.

Notwithstanding anything to the contrary contained in any other Franchise Agreement between Franchisor and Developer (or its affiliates), the termination of this Agreement by Franchisor solely on the basis of Developer's failure to meet its obligations under **Sections 1.1.1** through **1.1.3** and/or for failure to meet the Development Schedule shall not entitle Franchisor to terminate any Franchise Agreement between Franchisor and Developer (or its affiliates).

5.3 Actions in Lieu of Termination. If Franchisor is entitled to terminate this Agreement in accordance with **Sections 5.1** or **5.2** above, Franchisor shall have the right to undertake any one or more of the following actions instead of terminating this Agreement:

5.3.1 Franchisor may terminate or modify any rights that Developer may have with respect to "exclusivity" or protection in the Development Areas, as granted under **Section 1.2** above, effective ten days after delivery of written notice thereof to Developer; and/or

5.3.2 Franchisor may modify the boundaries of the Development Areas or eliminate any specific Development Area; and

5.3.3 Franchisor may reduce or eliminate the number of Franchises that Developer may establish and operate under this Agreement.

5.3.4 If any of such rights, Development Rights, arrangements, or areas are terminated or modified in accordance with this **Section 5.3**, such action shall be without prejudice to Franchisor's right to terminate this Agreement in accordance with **Sections 5.1** or **5.2** above, and Franchisor shall have the right to retain all Development Fees paid by Developer, and/or to terminate any other rights, Development Rights or arrangements under this Agreement at any time thereafter for the same default or as a result of any additional defaults of the terms of this Agreement.

5.4 Post-Termination Rights. Upon termination or expiration of this Agreement, Developer shall have no right to establish or operate any Franchises for which a Franchise Agreement has not been executed by Franchisor at the time of termination. Thereafter, Franchisor shall be entitled to establish, and to license others to establish, Franchises in the Development Area (except as may be otherwise provided under any Franchise Agreement that has been executed between Franchisor and Developer).

5.5 Cross-Default. No default relating to Developer's failure to meet the Development Schedule hereunder shall constitute a default under any Franchise Agreement between the parties hereto.

5.6 No Exclusive Remedy. No right or remedy herein conferred upon or reserved to Franchisor is exclusive of any other right or remedy provided or permitted by law or equity.

6 TRANSFERS

Developer and each of its Owners understands and acknowledges (a) that the rights and duties set forth in this Agreement are personal to Developer and its Owners; (b) that Franchisor has granted the rights described in this Agreement in reliance on Developer's and/or its Owners' business skill, financial capacity, and personal character; and (c) that Franchisor has granted the rights herein with the expectation, and based on the representations of Developer, that Developer and no other persons or entities, will develop, own or operate Franchises in the Development Areas. Accordingly, Developer shall not transfer, pledge, or otherwise encumber: (a) the rights and obligations of the Developer under this Agreement; or (b) any material asset of Developer or any Franchise; provided, however, that Developer may grant a security interest in, or otherwise encumber certain assets of any Franchise, excluding this Agreement and the Franchise Agreement, in connection with Developer obtaining general financing for the development and/or operation of the Franchise or equipment leasing, if such financing satisfies the requirements of Franchisor, which may include, without limitation, execution of agreements by Franchisor, Developer, and/or the Owners, and any secured creditor of Developer, in a form satisfactory to Franchisor. If Developer or any Owner is an entity, Developer or the Owner, as applicable, shall not: (a) issue any voting securities or securities convertible into voting securities; (b) permit the transfer, sale, pledge, or any assignment of such securities; or (c) otherwise enter into any agreement under which an additional person or persons would become or becomes a legal or equitable owner of Developer or any Owner. No Owner may transfer, pledge or otherwise encumber any interest of the Owner in Developer without the prior written approval of Franchisor.

7 [intentionally deleted]

8 NOTICES

All notices and other communications required or permitted under this Agreement will be in writing and will be given by one of the following methods of delivery: (i) personally; (ii) by certified or registered mail, postage prepaid; or (iii) by overnight delivery service. Notices to Developer will be sent to the address set forth on the signature page. Notices to Franchisor must be sent to:

Krystal Klean Franchisor, LLC
1326 Tamson Street, Suite 201
Cambria, California 93428
Attention: Chief Executive Officer

With a copy to:
Kathryn B. Shipe, Esq.
Shipe Dosik Law LLC
2107 N. Decatur Road, Unit 347
Decatur, Georgia 30033

Either party may change its mailing address or facsimile number by giving notice to the other party. Notices will be deemed received the same day when delivered personally or upon actual or attempted delivery when sent by registered or certified mail or overnight delivery service.

9 COMPLIANCE WITH LAWS

Developer shall comply with all federal, state, and local laws, rules, and regulations, and shall timely obtain all permits, certificates, or licenses necessary for the full and proper conduct of the business contemplated under this Agreement.

10 INDEPENDENT CONTRACTOR AND INDEMNIFICATION

10.1 Independent Contractors. It is understood and agreed by the parties hereto that this Agreement does not create a fiduciary relationship between them, that Developer shall be an independent contractor, and that nothing in this Agreement is intended to cause either party to be deemed an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other party for any purpose whatsoever.

10.2 Identification as Independent Contractor. At all times during the term of this Agreement, Developer shall hold itself out to the public as an independent contractor operating pursuant to this Agreement. Developer agrees to take such action as may be necessary to do so, including, without limitation, exhibiting a notice of that fact in a conspicuous place in the Developer's offices, the content of which Franchisor reserves the right to specify.

10.3 No Agency. It is understood and agreed that nothing in this Agreement authorizes Developer to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name; and that Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor shall Franchisor be liable by reason of any act or omission of Developer in Developer's operations hereunder, or for any claim or judgment arising therefrom against Developer or Franchisor.

10.4 Indemnification. Developer shall indemnify and hold Franchisor, Franchisor's owners and affiliates, and their respective officers, directors, employees, and agents, harmless against any and all claims arising directly or indirectly from, as a result of, or in connection with Developer's operation of the business conducted under this Agreement, or Developer's breach of this Agreement, including, without limitation, those alleged to be caused by Franchisor's negligence, unless (and then only to the extent that) the claims, obligations, and damages are determined to be caused solely by Franchisor's gross negligence or willful misconduct according to a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction, as well as the costs, including attorneys' fees, of defending against them. In the event Franchisor incurs any costs or expenses, including, without limitation, legal fees, travel expenses, and other charges, in connection with any proceeding involving Developer in which Franchisor is not a party, Developer shall reimburse Franchisor for all such costs and expenses promptly upon presentation of invoices. Developer acknowledges and agrees that Developer's indemnification and hold harmless obligations under this **Section 10.4** shall survive the termination or expiration of this Agreement.

11 APPROVALS AND WAIVERS

11.1 Approvals. Whenever this Agreement requires Franchisor's prior approval or consent, Developer shall make a timely written request to Franchisor therefor, and such approval or consent must be obtained in writing.

11.2 No Warranties. Developer acknowledges and agrees that Franchisor makes no warranties or guarantees upon which Developer may rely, and assumes no liability or obligation to Developer, by providing any waiver, approval, consent, or suggestion to Developer in connection with this Agreement, or by reason of any neglect, delay, or denial of any request therefor.

11.3 Waivers. No delay, waiver, omission, or forbearance on the part of Franchisor to exercise any right, option, duty, or power arising out of any breach or default by Developer under any of the terms, provisions, covenants, or conditions of this Agreement, shall constitute a waiver by Franchisor to enforce any such right, option, duty, or power as against Developer, or as to subsequent breach or default by Developer. Subsequent acceptance by Franchisor of any payments due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding breach by Developer of any terms, provisions, covenants, or conditions of this Agreement.

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 any statement made by any franchisor, franchise seller or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

12 ENTIRE AGREEMENT AND AMENDMENT

This Agreement and the exhibits referred to herein constitute the entire agreement between the parties concerning the subject matter hereof, and supersede any and all prior or contemporaneous negotiations, discussions, understandings and agreements, no other representations having induced Developer to execute this Agreement. Nothing in this Agreement is intended to disclaim any representations made by Franchisor in the Franchise Disclosure Document that Franchisor furnished to Franchisee. No amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing, except as otherwise expressly provided hereunder.

13 SEVERABILITY AND CONSTRUCTION

13.1 Severability. If any of the provisions of this Agreement may be construed in more than one way, one of which would render the provision illegal or otherwise voidable or unenforceable, such provision shall have the meaning which renders it valid and enforceable. The language of all provisions of this Agreement shall be construed according to its fair meaning and not strictly against any party. In the event any court or other government authority shall determine any provision in this Agreement is not enforceable as written, the parties agree that the provision shall be amended so that it is enforceable to the fullest extent permissible under the laws and public policies of the jurisdiction in which enforcement is sought and affords the parties the same basic rights and obligations and has the same economic effect. If any provision in this Agreement is held invalid or otherwise unenforceable by any court or other government authority or in any arbitration proceeding, such findings shall not invalidate the remainder of this Agreement unless, in the reasonable opinion of Franchisor, the effect of such determination has the effect of frustrating the purpose of this Agreement, whereupon Franchisor shall have the right by notice in writing to the other party to immediately terminate this Agreement.

13.2 No Other Rights. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Developer, Franchisor, and such of Franchisor's respective successors and assigns, any rights or remedies under or by reason of this Agreement.

13.3 Enforceability of Contract. Developer expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court may hold to be unenforceable in a final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

13.4 Construction; Captions. All capitalized terms not defined herein shall have the meaning ascribed to them in the Franchise Agreement. All captions in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

13.5 Survival of Provisions. All provisions of this Agreement which, by their terms or intent, are designed to survive the expiration or termination of this Agreement, shall so survive the expiration and/or termination of this Agreement.

14 APPLICABLE LAW

14.1 Governing Law. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other applicable federal statutes, this Agreement and all claims arising from the relationship between the parties or relating in any way to the validity, interpretation or enforcement of this Agreement, including, but not limited to, the validity and scope of the arbitration provisions under this Section hereunder will be governed by the laws of the State of Delaware, without regard to its conflict of laws rules. Nothing in this **Section 14.1** is intended by the parties to subject this Agreement to any franchise, business opportunity, consumer protection, or similar law, rule, or regulation of the State of Delaware to which this Agreement would not otherwise be subject.

14.2 Arbitration.

14.2.1 Disputes Subject to Arbitration. Except as provided in **Section 14.2.7**, the parties agree that any and all disputes arising out of this Agreement, the relationship of the parties or relating in any way to the validity, interpretation or enforcement of this Agreement, including, but not limited to, the validity and scope of the arbitration provisions under this Article shall be resolved exclusively through binding arbitration. The arbitration proceedings will be conducted before a single arbitrator according to the then-current commercial arbitration rules of the American Arbitration Association ("**AAA"**). Unless otherwise agreed to by Franchisor, the arbitration shall be conducted in Passaic County, New Jersey. The arbitrator will render a decision based on, and consistent with, Delaware law and with the facts and evidence that are properly introduced during the course of the hearing. The arbitrator's decision shall be final and enforceable against the parties. Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

14.2.2 Periods of Limitation; Counterclaims. The parties agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, including, without limitation, those set forth in **Section 14.2.11**, whichever expires earlier. The parties further agree that, in any arbitration proceeding, each must submit or file any claim that would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any claim which is not submitted or filed as required is waived and forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either party.

14.2.3 Class Actions. Developer, its affiliates, and their respective equity holders, officers, directors, agents and/or employees shall not pursue class claims, multi-plaintiff, consolidated or representative actions in any arbitration to which Franchisor, its affiliates and any of their respective equity holders, officers, directors, agents, and/or employees are parties. Notwithstanding the foregoing, if any court determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section, then the parties agree that this arbitration clause shall not apply to that dispute and that such dispute shall be resolved in a judicial proceeding.

14.2.4 Confidentiality. All documents, information, and results pertaining to any arbitration will be confidential, except as required by law or as required for Franchisor to comply with laws and regulations applicable to the sale of franchises.

14.2.5 Performance During Arbitration. Franchisor and Developer will comply with this Agreement and perform their respective obligations under this Agreement during the arbitration process.

14.2.6 Damages. The arbitrator has the right to award or include in his or her award any relief which he or she deems proper including, but not limited to, money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs, provided that the arbitrator may not award any punitive or exemplary damages against either party (the parties hereby waiving to the fullest extent permitted by law, any right to or claim for any punitive or exemplary damages against the other).

14.2.7 Exceptions. Notwithstanding anything contained herein, Franchisor reserves the right to seek temporary restraining orders, preliminary injunctions or other interim relief when deemed necessary to preserve the *status quo* or prevent irreparable injury pending resolution by arbitration of the actual dispute or to make claims attributable to unpaid amounts owed by Developer to Franchisor hereunder in any court of competent jurisdiction. The parties acknowledge and agree that the rights of Franchisor under this Agreement with respect to the enforcement of the in-term and post-term noncompetition covenants of Franchisor are of a specialized and unique nature and that immediate and irreparable damage will result to Franchisor if Developer fails or refuses to perform obligations under this Agreement, and, notwithstanding any election by Franchisor to claim damages from Developer as a result of such failure or refusal, Franchisor may, in addition to any other remedies and damages available, seek an injunction in any court of competent jurisdiction to restrain such failure or refusal.

14.2.8 Venue. Except as provided in **Section 14.2.7**, for any action or proceeding which is not subject to arbitration as herein provided, each party agrees that such action or proceeding may be brought only in federal or state courts located in Passaic County, New Jersey. Developer and each of its Owners hereby waive all claims related to lack of personal jurisdiction or improper venue for the purpose of carrying out this provision. Notwithstanding the foregoing,

this exclusive choice of jurisdiction and venue provision does not restrict the ability of the parties to confirm or enforce judgments or awards including, but not limited to, arbitration awards rendered pursuant to **Section 14.2.1**, in any appropriate jurisdiction.

14.2.9 No Exclusive Remedies. No right or remedy conferred upon or reserved to Franchisor or Developer by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

14.2.10 Waiver of Jury Trial. Franchisor and Developer irrevocably waive trial by jury in any action, proceeding, or counterclaim, whether at law or in equity, brought by either of them against the other, whether or not there are other parties in such action or proceeding.

14.2.11 Limitation of Actions. Except as provided herein, any and all claims and actions arising out of or relating to this Agreement, the relationship of Developer and Franchisor, or Developer's operation of the business contemplated hereunder (including any defenses or any claims of set-off or recoupment) must be brought or asserted before the expiration of the earlier of (a) the time period for bringing an action under any applicable state or federal statute of limitations; (b) one year after the date upon which a party discovered, or should have discovered, the facts giving rise to an alleged claim; or (c) two years after the first act or omission giving rise to an alleged claim; or it is expressly acknowledged and agreed by all parties that such claims or actions shall be irrevocably barred. Notwithstanding the foregoing, claims of Franchisor attributable to failure to pay monies owed and/or indemnification shall be subject only to the applicable state or federal statute of limitations.

14.2.12 Limitation on Damages. In any action arising out of or relating to this Agreement or the relationship of the parties, in no event shall Franchisor be liable to Developer for more than total amounts paid by Developer for the Development Fee .

14.2.13 Costs and Attorneys' Fees. If either Franchisor or Developer seeks to enforce this Agreement in an arbitration or a judicial or other proceeding, the prevailing party shall be entitled to recover its reasonable costs and expenses (including attorneys' fees, attorneys' assistants' fees, accountants' fees, expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel, room and board, salaries and benefits of those employees participating in such proceeding) incurred in connection with such judicial or other proceeding.

15 ACKNOWLEDGMENTS

15.1 [intentionally deleted]

15.2 [intentionally deleted]

15.3 Representations and Warranties. Developer and its Owners represent and warrant to Franchisor that: (a) neither Developer nor any of its Owners have made any untrue statement of any material fact nor omitted to state any material fact in obtaining the rights granted herein; (b) neither Developer nor any of its Owners have any direct or indirect legal or beneficial interest in any business that is a Competitive Business or may be deemed competitive, except as otherwise completely and accurately disclosed in its application materials; and (c) neither Developer nor its Owners have been designated as suspected terrorists under U.S. Executive Order 13244. Developer recognizes that Franchisor approved Developer in reliance on all of the

statements Developer and its Owners have made in connection therewith, and that Developer has a continuing obligation to advise Franchisor of any material changes in these statements and representations made to Franchisor in this Agreement or in the application materials.

15.4 No Other Obligations. Each party represents and warrants to the others that there are no other agreements, court orders, or any other legal obligations that would preclude or in any manner restrict such party from: (a) negotiating and entering into this Agreement; (b) exercising its rights under this Agreement; and/or (c) fulfilling its responsibilities under this Agreement.

15.5 [intentionally deleted]

15.6 [intentionally deleted]

IN WITNESS WHEREOF, the parties hereto have duly signed and delivered this Agreement in duplicate on the day and year first above written.

KRYSTAL KLEAN FRANCHISOR, LLC

By:_____
Lorraine Matarazzo, Chief Administrative Officer

IF DEVELOPER IS AN INDIVIDUAL: PLEASE SIGN BELOW.

_____
[INSERT NAME OF DEVELOPER]

Address for Notices: _____

_____

_____

Attn: _____

IF DEVELOPER IS A CORPORATION OR LIMITED LIABILITY COMPANY:

_____
[INSERT YOUR ENTITY NAME]

By:_____
Name: _____
Title:_____

Address for Notices: _____
_____
_____
Attn: _____

Attachment 1
to
Development Agreement

DEVELOPMENT AREAS AND DEVELOPMENT SCHEDULE

1. Development Right Areas and Fees.

Development Right #	**Development Area (Residential Services Territory and Commercial Services Territory)** *[attach map(s) as necessary]*	**Development Fee***
1		
2		
3		
4		
5		
6		
7		
		TOTAL:

*This amount will be credited against the initial franchise fees specified below in paragraph 2.

2. Development Schedule and Initial Franchise Fees. Developer must have entered into a Franchise Agreement with Franchisor and have paid the balance of the initial franchise fee by the **"Development Deadline"** that corresponds to each Development Right set forth below. In addition, Developer must have commenced operations of a Franchise in the corresponding Development Area by the Franchise Opening Deadline specified below:

Development Right No.	**Development Deadline**	**Balance of Initial Franchise Fee (Amount)**	**Franchise Opening Deadline**
1			
2			
3			
4			
5			
6			
7			

Initials: _____(KRYSTAL KLEAN FRANCHISOR, LLC) _____(Developer)

Attachment 2
to
Development Agreement

INDEMNIFICATION AND ACKNOWLEDGMENT

As an inducement to KRYSTAL KLEAN FRANCHISOR, LLC ("**Franchisor**") to execute the Krystal Klean Development Agreement between Franchisor and _____ _____("**Developer**"), dated _____(the "**Agreement**"), the undersigned, jointly and severally, hereby unconditionally acknowledge and agree to those terms, conditions and obligations under the Agreement that apply to individual Owners of Developer, as set forth below.

The undersigned each hereby jointly and severally agree to defend, indemnify and hold Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorney's fees, reasonable costs of financial and other investigation, court costs, and fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Developer to perform any obligation of Developer under the Agreement, any amendment thereto, or any other agreement executed by Developer referred to therein.

The undersigned each hereby jointly and severally acknowledge the provisions of **Section 15** of the Agreement and expressly agree to be individually bound by **Sections 6** and **7** of the Agreement, and acknowledge and agree that this Indemnification and Acknowledgment does not grant the undersigned any right to use the "Krystal Klean" marks or system.

This Indemnification and Acknowledgment shall terminate upon the termination or expiration of the Agreement, except that all obligations and liabilities of the undersigned which arose from events which occurred on or before the effective date of such termination shall remain in full force and effect until satisfied or discharged by the undersigned, and all covenants which by their terms continue in force after the expiration or termination of the Agreement shall remain in force according to their terms. Upon the death of an individual signatory, the estate of such signatory shall be bound by this Indemnification and Acknowledgment, but only for defaults and obligations hereunder existing at the time of death; and the obligations of the other signatory will continue in full force and effect.

Unless specifically stated otherwise, the terms used in this Indemnification and Acknowledgment shall have the same meanings as in the Agreement and shall be interpreted and construed in accordance with **Article 13** of the Agreement. This Indemnification and Acknowledgment shall be interpreted and construed under the laws of the State of Delaware. In the event of any conflict of law, the laws of the State of Delaware shall prevail (without regard to, and without giving effect to, the application of Delaware conflict of law rules). The dispute resolution and arbitration provisions of **Article 14** of the Agreement shall apply to any dispute under this Indemnification and Acknowledgement. For claims not subject to arbitration, jurisdiction and venue shall be in state and federal courts located in Passaic County, New Jersey, and the undersigned hereby waives any objection to such jurisdiction and venue. The undersigned hereby waives any objection to the jurisdiction and venue provisions of the Agreement.

IN WITNESS WHEREOF, each of the undersigned has reviewed the Agreement, understands his, her or its obligations thereunder, and has signed this Indemnification and Acknowledgment as of the date of the Agreement.

SIGNATORIES

Signed:_____
(In his/her individual capacity)

Name:_____
Address:_____
_____

Signed:_____
(In his/her individual capacity)

Name:_____
Address:_____
_____

Signed:_____
(In his/her individual capacity)

Name:_____
Address:_____

EXHIBIT E

ACCOUNT TRANSFER AGREEMENT

THIS ACCOUNT TRANSFER AGREEMENT (this **"Agreement"**) is made on _____ (the **"Effective Date"**) by Krystal Klean Franchisor, LLC, a Delaware limited liability company (**"Franchisor"**) and by _____, a _____ (**"Franchisee"**). Franchisee is a franchisee pursuant a Franchise Agreement with Franchisor (the **"Franchise Agreement"**) which grants Franchisee the right to operate a KRYSTAL KLEAN business in the Territory (the **"Business"**). Unless defined otherwise in this Agreement, capitalized terms have the meanings given them in the Franchise Agreement.

In consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. General. Franchisor hereby assigns and transfers ownership of the customer agreements and the right to service accounts under such customer agreements for the customers listed on Schedule 1 (the **"Transferred Accounts"**). Franchisee shall not have any right to service customer locations outside of the Territory notwithstanding such locations may be owned or operated by the same customer as a Transferred Account.

2. Payment. Franchisee shall pay $_____ for the Transferred Accounts as follows [in cash in full upon execution of this Agreement] [or] [Franchisee shall pay a down payment of $_____ upon execution of this Agreement, and the balance will be financed under a Secured Promissory Note.]

3. Transferred Account Acceptance; Joinder. Franchisee has received copies of, and hereby agrees to be bound by every obligation under, the customer agreements for the Transferred Accounts as of and after the Effective Date as if Franchisee is a signatory to each such customer agreement. Franchisee agrees to timely perform all services and other obligations specified thereunder in accordance with the relevant customer agreement and Franchise Agreement.

4. Representations, Warranties, and Disclosures. The Transferred Accounts are being purchased "as is". Franchisor provides no express or implied warranties with respect to the Transferred Accounts. Franchisor expressly disclaims all implied warranties of merchantability and fitness for a particular purpose. Franchisor does not warrant that any Transferred Account will be profitable, or that Franchisee will not lose any Transferred Account for any reason. FRANCHISOR HAS NO OBLIGATION TO REPLACE, PROVIDE A REFUND OR OTHERWISE COMPENSATE FRANCHISEE IF FRANCHISEE LOSES A TRANSFERRED ACCOUNT FOR ANY REASON.

5. Transferred Account Reversion. Notwithstanding anything to the contrary contained herein or in any other agreement:

(i) Ownership of any customer agreement and the right to service any associated Transferred Account shall be transferred and revert to Franchisor effective upon notice to Franchisee (which may be delivered via email) upon the occurrence of any of the following:

(a) Franchisee's documented Misconduct (as defined below) involving the Transferred Account;

(b) a customer requests that the Transferred Account be transferred to a different service provider or complains regarding Franchisee's service quality on two or more occasions; or

(c) Franchisee misses more than two regularly scheduled service visits for the Transferred Account in a 90-day period.

"Misconduct" means any conduct by Franchisee or its employees constituting faulty workmanship, dishonesty, fraud, or Franchisee or its employees' providing services in a manner reasonably unsatisfactory to the customer or otherwise in violation of the applicable customer agreement or the Franchise Agreement.

(ii) Ownership of all customer agreements granted under this Agreement and the right to service any and all Transferred Accounts under such customer agreements and this Agreement shall terminate and all rights shall be transferred to and revert to Franchisor effective upon notice to Franchisee (which may be delivered via email) if:

(a) Franchisee is in default of the Franchise Agreement beyond the applicable cure period for such default provided therein;

(b) The Franchise Agreement terminates for any reason or expires pursuant to its terms;

(c) During the first three months after the Effective Date, Transferred Accounts with regular service billings (as calculated based on average regular service billings during the three-month period prior to the Effective Date) that total 15% or more of total regular service billings of all Transferred Accounts cancel services for any reason; or

(d) during the first nine months after the Effective Date, Transferred Accounts with regular service billings (as calculated based on average regular service billings during the three-month period prior to the Effective Date) that total 20% of total regular service billings of all Transferred Accounts cancel services.

(iii) Franchisor shall have the right to provide services for any Accounts in Franchisee's Territory (as defined in the Franchise Agreement) that transfer and revert to Franchisor hereunder notwithstanding any territorial protections contained in the Franchise Agreement. Franchisee agrees that it shall cooperate as reasonably necessary, at its expense, to facilitate a smooth transfer of such Accounts in the manner directed by Franchisor. Specifically, Franchisee shall permit Franchisor to store vehicles on its premises, discharge waste water on its premises, and, if requested by Franchisor, Franchisee shall permit the use of Franchisee's vehicles to perform Krystal Klean services for such Accounts on an interim basis not to exceed 90 days from the date of transfer. Notwithstanding anything to the contrary contained herein, if Franchisor determines that it is necessary to use Franchisee's vehicles to perform Krystal Klean services hereunder, Franchisor shall pay Franchisee a reasonable per diem rental rate for the use of Franchisee's vehicles. FRANCHISEE WILL RECEIVE NO REFUND OR REDUCTION OF ANY AMOUNTS PAID OR OWED FOR A TRANSFERRED ACCOUNT THAT REVERTS TO FRANCHISOR HEREUNDER.

6. Indemnification. Franchisee shall indemnify Franchisor against, and hold Franchisor harmless from all claims, actions, suits, proceedings, costs, expenses, damages, and liabilities, including attorney's fees, arising out of or connected with or resulting from the Transferred Accounts, including, without limitation, any claim arising from Franchisee's Misconduct.

7. Entire Agreement. This Agreement and any other agreement between the parties referenced herein constitutes the entire and complete Agreement between Franchisor and Franchisee concerning the subject matter thereof and supersedes all prior agreements. No amendment, change, or variation from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

8. Severability and Construction. If any provision of this Agreement is deemed to be void, invalid, or unenforceable, that provision shall be severed from the remainder of this Agreement so as not to cause the invalidity or unenforceability of the remainder of this Agreement. All remaining provisions of this Agreement shall then continue in full force and effect. If any provision shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope and breadth permitted by law.

9. Captions. All captions in this Agreement are intended for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision of this Agreement.

10. Counterparts. This Agreement may be executed by the parties in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

11. Disputes.

(a) This Agreement shall be interpreted and construed exclusively under the laws of the State of Delaware, which laws shall prevail in the event of any conflict of law (without regard to, and without giving effect to, the application of any choice-of-law rules).

(b) Except as expressly provided to the contrary in this Agreement, any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction. Any dispute as to whether this arbitration clause applies or whether any claim is subject to arbitration shall be decided by arbitration in accordance with this Section.

(c) Franchisee, its affiliates and their respective equity holders, officers, directors, agents, and/or employees shall not pursue class claims, multi-plaintiff, consolidated or representative actions in any arbitration to which Franchisor, its affiliates or any of their respective equity holders, officers, directors, agents, and/or employees are parties. Notwithstanding the foregoing, if any court determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section, then the parties agree that this arbitration clause shall not apply to that dispute and that such dispute shall be resolved in a judicial proceeding.

(d) The place of arbitration shall be in Passaic County, New Jersey.

(e) All documents, information, and results pertaining to any arbitration will be confidential, except as required by law or as required for Franchisor to comply with laws and regulations applicable to the sale of franchises.

(f) The parties will comply with this Agreement and perform their respective obligations under this Agreement during the arbitration process.

(g) For any matter which is not subject to arbitration, each party hereto consents to personal jurisdiction in the federal or state courts located in Passaic County, New Jersey. Franchisee hereby waives all questions of personal jurisdiction or venue for the purpose of carrying out this provision. This exclusive choice of jurisdiction and venue provision does not restrict the ability of the parties to confirm or enforce judgments or awards in any appropriate jurisdiction.

(h) No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

(i) Notwithstanding anything contained herein, Franchisor reserves the right (i) to seek temporary restraining orders, preliminary injunctions or other interim relief when deemed necessary to preserve the *status quo* or prevent irreparable injury pending resolution by arbitration of the actual dispute; and (ii) to initiate a proceeding to collect monies owed hereunder in any court of competent jurisdiction.

(j) Franchisor and Franchisee irrevocably waive trial by jury in any action, proceeding, or counterclaim, whether at law or in equity, brought by either of them against the other, whether or not there are other parties in such action or proceeding.

(k) Except as provided herein, any and all claims and actions arising out of or relating to this Agreement must be brought or asserted before the expiration of the earlier of (i) the time period for bringing an action under any applicable state or federal statute of limitations; (ii) one year after the date upon which a party discovered, or should have discovered, the facts giving rise to an alleged claim; or (iii) two years after the first act or omission giving rise to an alleged claim; or it is expressly acknowledged and agreed by all parties that such claims or actions shall be irrevocably barred. Notwithstanding the foregoing, claims of Franchisor attributable to failure to pay monies owed and/or indemnification shall be subject only to the applicable state or federal statute of limitations.

(l) If either Franchisor or Franchisee seeks to enforce this Agreement in an arbitration or a judicial or other proceeding, the prevailing party shall be entitled to recover its reasonable costs and expenses (including attorneys' fees, attorneys' assistants' fees, accountants' fees, expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel, room and board, salaries and benefits of those employees participating in such proceeding) incurred in connection with such judicial or other proceeding.

12. Acknowledgements. Each party acknowledges that he, she or it has had an adequate opportunity to review this Agreement and consult with attorneys if he, she or it so

desires.

Intending to be legally bound, the parties have executed this Agreement as of the Effective Date.

KRYSTAL KLEAN FRANCHISOR, LLC

_____
By: Lorraine Matarazzo
Title: Chief Administrative Officer

[INSERT LEGAL NAME OF FRANCHISEE]

_____
By:
Title:

Schedule 1
to
Account Transfer Agreement

Transferred Accounts

[insert]

EXHIBIT F

COMPANY-OWNED BUSINESS PURCHASE AGREEMENT

THIS COMPANY-OWNED BUSINESS PURCHASE AGREEMENT (this **"Agreement"**) is entered into on _____ (the **"Execution Date"**) and is between **KRYSTAL KLEAN FRANCHISOR, LLC**, a Delaware limited liability company (**"Seller"**), on the one hand, and _____, a _____ _____(**"Purchaser"**) and its owners, _____ and _____ (collectively, the **"Owners"**), on the other hand (collectively, the Purchaser and the Owners are the **"Purchaser Parties"**). The closing of the buy-sell transaction contemplated by this Agreement shall become effective on the Closing Date set forth in **Section 3.01**.

Recitals:

WHEREAS, Seller is the franchisor of the Krystal Klean® brand and owns a Krystal Klean business (the **"Business"**) within the following area:_____ (the **"Territory"**);

WHEREAS, Purchaser desires to purchase, and Seller desires to sell, certain assets of Seller used in the operation of the Business, subject to the terms of this Agreement;

WHEREAS, Seller and Purchaser will enter a Franchise Agreement (the **"Franchise Agreement"**) at the closing of the purchase of such assets granting Purchaser the right to operate the Business as a Krystal Klean franchise (the **"Franchise Rights"**); and

WHEREAS, the Owners are the record and beneficial owners of 100% of the equity of Purchaser;

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE I
Purchase and Sale

Section 1.01 Acquired Assets. Subject to the terms and conditions of this Agreement, on Closing Date (as defined), Seller will transfer and assign to Purchaser, free and clear of all liens and encumbrances, all of Seller's right, title and interest in the following assets used by Seller in the operation of the Business (collectively, the **"Assets"**):

(a) the right to service customers under Krystal Klean service agreements for customer locations within the Territory for which Seller provides Krystal Klean services as of the Closing Date (the **"Customer Agreements"** or **"Accounts"**);

(b) to the extent assignable, [Seller] [or] [Seller shall cause its affiliate, Kept Companies, Inc. (**"Kept Co."**)], to assign all rights under the lease agreement for the Business' premises (the **"Lease"**)]; [1]

[1] Lease assignment may take place before or after Closing.

(c) all chemicals, supplies, replacement and spare parts, shop supplies and tools, office furniture, computers and peripheral equipment, software located on the Business' premises as of the Closing Date;

(d) the vehicles described on Schedule 1.01(d) and any equipment associated with such vehicles (including any proprietary Krystal Klean wash box located in or on such vehicles) (collectively, the **"Vehicles"**) and any other equipment specifically listed on Schedule 1.01(d).[2]

Section 1.02. Exclusions. Purchaser shall not purchase any asset related to the Business that is not specifically included in the Assets listed above (the **"Excluded Assets"**) including without limit, any cash on hand, bank accounts, all accounts receivable for such services rendered prior to Closing (as defined), security deposits and other prepaid amounts, proceeds of insurance and Franchise Rights. For avoidance of doubt, the purchase of Franchise Rights shall be made pursuant to the Franchise Agreement.

ARTICLE II
Purchase Price

Purchaser shall pay an amount equal to $_____ for the Assets (the **"Purchase Price"**) payable as follows:

(a) Purchaser shall pay $_____ as earnest money on the Execution Date (the **"Earnest Money"**).

(b) The balance of $_____ shall be paid on Closing Date as follows (i) $_____ shall be paid by wire transfer in immediately available funds; and (ii) $_____ of the Purchase Price shall be financed under the terms of a Secured Promissory Note in substantially the form attached hereto as **Exhibit A** (the **"Secured Promissory Note"**).

The Earnest Money will be applied to the Purchase Price at Closing. However, if Closing does not take place due to the failure of a condition precedent required under **Section 3.05** (Conditions to Purchaser's Obligation to Close) the Earnest Money shall be returned to Purchaser. Otherwise, the Earnest Money shall be retained by Seller and is not refundable under any circumstances. (The Secured Promissory Note will be for a total of $_____ plus $_____ for the initial franchise fee payable under the Franchise Agreement, or $_____.)

ARTICLE III
Closing

Section 3.01. Closing. The closing of the transactions contemplated by this Agreement (the "**Closing**") shall take place on _____unless otherwise mutually agreed by the

[2] Notwithstanding anything to the contrary contained herein, if financing is provided by Seller for any Vehicle purchased hereunder, Seller may, in its sole discretion, choose to convey title to such Vehicles only when payment is made in full. Seller will execute any documents presented by Purchaser which are necessary to finalize transfer of title and registration upon any Vehicles sold to Purchaser hereunder.

parties in writing (the "**Closing Date**"). The consummation of the transactions contemplated by this Agreement shall be deemed to occur effective at the start of business on _____.

Section 3.02. Seller's Deliveries. At or prior to Closing, Seller shall deliver the following to Purchaser:

(a) Secured Promissory Note in substantially the form attached hereto as **Attachment 1**, duly executed by an authorized officer of Seller;

(b) Bill of Sale, Assignment and Assumption and Closing Bring-Down Agreement in substantially the form attached hereto as **Attachment 2**, duly executed by an authorized officer of Seller;

(c) Lease Assignment Agreement (if Lease assignment will take place on or before Closing) or Use and Occupancy Agreement (if Lease assignment will take place after Closing) in substantially the form of **Attachment 4**, duly executed by an authorized officer of Purchaser;

(d) Revolving Credit Agreement in substantially the form of **Attachment 5**, duly executed by an authorized officer of Seller; and

(e) Franchise Agreement (and all ancillary agreements required to be executed by Purchaser and the Owners) in substantially the form attached to Seller's then-current Franchise Disclosure Document, duly executed by an officer of Seller as franchisor.

Section 3.03. Purchaser's Deliveries. At or prior to Closing, the Purchaser Parties shall deliver the following to Seller:

(a) Secured Promissory Note in substantially the form attached hereto as **Attachment 1**, duly executed by an authorized officer of Purchaser and the Owners;

(b) Bill of Sale, Assignment and Assumption and Closing Bring-Down Agreement in substantially the form attached hereto as **Attachment 2**, duly executed by an authorized officer of Purchaser;

(c) Lease Assignment Agreement or Use and Occupancy Agreement in substantially the form of **Attachment 3**, duly executed by an authorized officer of Purchaser;

(d) Revolving Credit Agreement in substantially the form of **Attachment 5**, duly executed by an authorized officer of Purchaser and the Owners; and

(e) Franchise Agreement (and all ancillary agreements required to be executed by Purchaser and the Owners) in substantially the form attached to Seller's then-current Franchise Disclosure Document, duly executed by an officer of Purchaser and the Owners, as applicable.

Section 3.04. Conditions to Seller's Obligations to Close. All obligations of Seller under this Agreement are subject to the fulfillment of each of the following conditions at or prior to the Closing, any or all of which Seller may waive in whole or in part:

(a) Any portion of the balance of the Purchase Price not financed under the Secured Note has been received by Seller;

(b) Each of the representations and warranties of Purchaser contained in this Agreement is true, correct, and complete as of the Closing Date as though made at and as of such time; and

(c) Each of the covenants, agreements, and undertakings of Purchaser contained in this Agreement, except for those calling for performance after the Closing Date, will have been fully performed or complied with at or before the Closing.

Section 3.05. Conditions to Purchaser's Obligations to Close.

(a) Each of the representations and warranties of Seller contained in this Agreement will be true, correct, and complete as of the Closing Date as though made at and as of such time; and

(b) Each of the covenants, agreements, and undertakings of Seller contained in this Agreement, except for those calling for performance after the Closing Date, will have been fully performed or complied with at or before the Closing.

ARTICLE IV
Seller's Representations and Warranties

Seller represents and warrants that the following are true and correct as of the Execution Date and Closing Date:

Section 4.01. Organization; Authority. Seller is a duly organized and validly existing entity under the laws of the state of its formation. This Agreement and the transaction documents constitute the legal, valid, and binding obligation of Seller, enforceable against Seller in accordance with their terms, subject to creditor's rights and bankruptcy laws. Seller has the right, power, authority, and capacity to execute and deliver this Agreement and the transaction documents and to perform its obligations under this Agreement and the transaction documents.

Section 4.02. No Conflict; Consents. [With the exception of the Lease,] the execution and performance of this Agreement and the transaction documents do not (a) conflict with or result in a breach of the terms and conditions or, accelerate any provision of, or constitute a default under, any of its organizational documents, or any contract, promissory note or agreement to which Seller is a party; or (b) require the consent, approval or action of, or any filing with or notice to, any governmental agency or other person.

Section 4.03. Compliance with Laws. Seller has materially complied with all federal, state and local laws applicable to the Business, and has received no notice from any governmental agency that a violation has occurred.

Section 4.04. Title to Assets; Liens and Encumbrances. Seller will have good and marketable title to all the Assets at Closing. The Assets are not, and shall not be, subject to any mortgage, lease, pledge, lien, security interest or encumbrance of any nature as of the Execution

Date or at Closing Date, except for the security interest granted to Seller in connection with the purchase consummated hereunder. All Assets will be owned by Seller free and clear of all liens and encumbrances at Closing and are not the subject of any lease or financing arrangement, except for the security interest granted to Seller in connection with the purchase consummated hereunder.

Section 4.05. Litigation. There is no investigative action, inquiry, proceeding or litigation pending or threatened against Seller, the Assets, or the Business before any court or before or by any government department, commission, board, agency or instrumentality which in any way relates to Seller, the Business, or the Assets. Seller does not know of the occurrence of any events which are likely to give rise to any such action, proceeding or investigation, nor has any action, proceeding or investigation resulted in any judgment, order, injunction or decree against Seller, the Assets, or the Business.

Section 4.06. Taxes. All tax returns required by law to be filed by Seller on or prior to the Closing Date and all taxes shown to be due thereon have been timely filed and paid and said returns accurately reflect the total tax liability due from Seller due to the ownership and/or operation of the Business and/or the Assets.

Section 4.07. Personal Property; Vehicles. Subject to **Section 6.03**, all personal property, including, without limitation, the Vehicles, and other tangible items (if any) included in the Assets are in good condition and working order and are suited for their intended purpose, normal wear and tear excepted. EXCEPT FOR THE FOREGOING, SELLER EXPRESSLY DISCLAIMS ALL REPRESENTATIONS, WARRANTIES OR CONDITIONS, RELATING TO THE PERSONAL PROPERTY AND VEHICLES, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING ANY WARRANTIES OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Section 4.08. Accounts. Seller expressly disclaims all representations, warranties or conditions, relating to the Accounts, whether express, implied, or statutory, with the exception of the warranty of title contained in **Section 4.04.** Seller does not warrant that any Account will be profitable, or that an Account will not be terminated or expire immediately after the Closing Date.

[Section 4.09. Lease. Seller has, and upon assignment of the Lease and consent by the landlord thereunder, Purchaser will have, a valid and subsisting leasehold estate in and, to the knowledge of Seller, the right to quiet enjoyment of the leased real property for the term of the Lease. The Lease is in full force and effect, and Seller has not received notices of any breach or default thereunder. The Lease has not been assigned or subleased by Seller and Seller is permitted to occupy the leased property pursuant to the Lease. All rent, fees and other payments currently due under the Lease have been fully paid.]

Section 4.10. Full Disclosure. No representation or warranty by Seller in this Agreement and other document furnished or to be furnished to Purchaser contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading.

ARTICLE V
Purchaser's and Owners' Representations and Warranties

Purchaser and Owners' represent and warrant that the following are true and correct as of the Execution Date and Closing Date:

Section 5.01. Organization; Authority. Purchaser is a duly organized and validly existing entity under the laws of the state of its formation. This Agreement and the transaction documents constitute the legal, valid, and binding obligation of Purchaser, enforceable against Purchaser in accordance with their terms, subject to creditor's rights and bankruptcy laws. Purchaser and its Owners have the right, power, authority, and capacity to execute and deliver this Agreement and the transaction documents and to perform its, his or her obligations under this Agreement and the transaction documents.

Section 5.02. No Conflict; Consents. [With the exception of the Lease,] the execution and performance of this Agreement and the transaction documents do not (a) conflict with or result in a breach of the terms and conditions or, accelerate any provision of, or constitute a default under, any of its organizational documents, or any contract, promissory note or agreement to which Purchaser is a party; or (b) require the consent, approval or action of, or any filing with or notice to, any governmental agency or other person.

Section 5.03. Full Disclosure. No representation or warranty by the Purchaser Parties in this Agreement (or any of them) and other document furnished or to be furnished to the Purchaser Parties (or any of them) in connection with the purchase of the Assets or the purchase of the Krystal Klean franchise contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading.

ARTICLE VI
Additional Agreements

Section 6.01. Accounts. Purchaser agrees to be bound by all obligations under the Customer Agreements as of and after the Closing Date and shall timely perform all services and other obligations specified thereunder in accordance with the applicable Customer Agreement and the Franchise Agreement.

Section 6.02. Account Reversion.

(a) Notwithstanding anything to the contrary contained herein or in any other agreement, ownership of any Customer Agreement and the right to service an Account under such Customer Agreement shall be transferred and revert to Seller effective upon notice to Purchaser (which may be delivered via email) upon the occurrence of any of the following:

(j) Purchaser's documented Misconduct (as defined below) involving the account;

(ii) a customer requests that its Account be transferred to a different service provider or complains regarding the quality of Purchaser's services on two or more occasions; or

(iii) Purchaser misses more than two regularly scheduled service visits for any Account in a 90-day period.

"Misconduct" means any conduct by Purchaser or its employees constituting faulty workmanship, dishonesty, fraud, or Purchaser or its employees' providing services in a manner reasonably unsatisfactory to the customer or otherwise in violation of the applicable Customer Agreement or the Franchise Agreement.

(b) Notwithstanding anything to the contrary contained herein or in any other agreement, ownership of all Customer Agreements and the right to service such Accounts under such Customer Agreements and this Agreement shall be transferred and revert to Seller effective upon notice to Purchaser (which may be delivered via email) if:

(i) Purchaser is in default of the Franchise Agreement beyond the applicable cure period for such default provided therein;

(ii) the Franchise Agreement terminates for any reason or expires;

(iii) during the first three months after the Closing Date, Accounts with regular service billings (as calculated based on average regular service billings during the three-month period prior to the Closing Date) that total 15% or more of total regular service billings of all Accounts transferred hereunder cancel services for any reason; or

(iv) during the first nine months after the Closing Date, Accounts with regular service billings (as calculated based on average regular service billings during the three-month period prior to the Closing Date) that total 20% of total regular service billings of all Accounts transferred hereunder cancel services.

Seller shall have the right to provide services for any Accounts in Purchaser's Territory (as defined in the Franchise Agreement) that transfer and revert to Seller hereunder notwithstanding any territorial protections contained in the Franchise Agreement. Purchaser agrees that it shall cooperate as reasonably necessary, at its cost, to facilitate a smooth transfer of such Accounts in the manner directed by Seller. Specifically, Purchaser shall permit Seller to store vehicles on its premises, discharge wastewater on its premises, and, if requested by Franchisor, Franchisee shall permit the use of Franchisee's vehicles by to perform Krystal Klean services for such Accounts on an interim basis not to exceed 90 days from the date of transfer. Notwithstanding anything to the contrary contained herein, if Franchisor determines that it is necessary to use Franchisee's vehicles to perform Krystal Klean services hereunder, Franchisor shall pay Franchisee a reasonable per diem rental rate for the use of Franchisee's vehicles. PURCHASER WILL RECEIVE NO REFUND OR REDUCTION OF ANY AMOUNTS PAID OR OWED FOR AN ACCOUNT THAT REVERTS TO SELLER HEREUNDER.

Section 6.03. Limited Warranty on Vehicles. ANY CLAIM OF BREACH OF SELLER'S REPRESENTATIONS IN **SECTION 4.07** RELATING TO ANY VEHICLE MUST BE BROUGHT BY PURCHASER WITHIN SEVEN DAYS AFTER THE CLOSING DATE (THE **"WARRANTY PERIOD"**) AND MUST BE IN A WRITING DESCRIBING IN DETAIL THE NATURE OF DEFECT (EACH, A **"WARRANTY CLAIM"**). Seller shall in no case have any liability for any defect or deterioration which results from the improper operation or maintenance of a Vehicle or for any defect or deterioration of which Seller is not properly notified by Purchaser within the Warranty

Period and in accordance with this Section. If Purchaser provides a valid Warranty Claim within the Warranty Period, Purchaser's sole and exclusive remedy for any breach of the warranty shall be repair or replacement, at Seller's option and expense. Seller shall have at least seven days to repair any defect and 21 days to replace any Vehicle. AFTER THE WARRANTY PERIOD, SELLER SHALL HAVE NO OBLIGATION TO REPAIR OR REPLACE ANY VEHICLE.

Section 6.04. Pro-Rated Amounts. To the extent the pro-rated amounts for rent, real estate taxes, service charges, utilities, and similar costs are not known and prorated by the parties at the Closing Date, the parties will cooperate after the Closing Date so that Seller is responsible for these costs for all periods up to and including the Closing Date, and Purchaser is responsible for these costs for all periods after the Closing Date. Any prorated amount hereunder that is owed by either party hereunder shall be paid within 30 days of receipt of written notice.

Section 6.05. Taxes. Each party shall be responsible for, and shall pay, all taxes assessed against that party in connection with this Agreement and the transactions contemplated in this Agreement.

Section 6.06. Deposits. If not added to the purchase price paid by Purchaser to Seller at the Closing Date, Purchaser has or shall reimburse Seller for any deposits [under the Lease or] with various vendors and utilities within 30 days after demand.

Section 6.07. Employees. As of the Closing Date, Seller will terminate all employees and all employee benefit plans including but not limited to all health and disability plans and pension plans, currently administered by Seller. Purchaser shall have the right, but not the responsibility, to hire all employees of Seller who work at the Business on the Closing Date.

Section 6.08. Permits and Licenses. Purchaser has, at its own expense, obtained approval for the transfer or assignment of all permits and licenses required to operate the Business or obtained approval for the issuance of such permits and licenses on or before the Closing Date.

Section 6.09. Brokers. Neither party involved any broker in this transaction.

Section 6.10. Payment of Trade and Other Creditors. Seller shall ensure that all costs, expenses, debts and liabilities resulting from or arising out of the possession, ownership and/or operation of the Business and/or Assets by Seller through the Closing Date are paid in full in a timely manner. Said liabilities shall include, but are not limited to, all Business trade debts, sales taxes, advertising expenses, federal and state employer taxes, withholding taxes, as well as wages and benefits of all employees.

Section 6.11. Further Assurances. After the Closing Date, Seller shall promptly execute and deliver such documents and take such other action as the Purchaser may reasonably request to transfer the Assets to Purchaser and assist Purchaser to exercise all rights with respect thereto. The parties shall take all reasonable actions necessary to carry out the purpose and intent of this Agreement.

Section 6.12. Additional Terms. Attachment 3 sets forth additional terms that are applicable to the purchase and sale of the Assets and such terms are an integral part of this

Agreement. In the event of any conflict between this Agreement and the terms set forth on **Attachment 3**, the terms set forth on **Attachment 3** shall control.

[Section 6.14. Lease Documents. [The parties shall execute a Lease Assignment Agreement in the form of **Attachment 4** and any other documents requested by the landlord under the Lease to effectuate the assignment and assumption of the Lease. Purchaser shall be responsible for any amounts to be paid under the Lease in connection with the assignment and assumption of the Lease.] **[OR]** [The parties agree to work in good faith to cause the Lease to be assigned from Seller to Purchaser after the Closing Date. Purchaser hereby assumes all liabilities and responsibilities arising under the Lease on and after the Closing Date. Purchaser shall be responsible for any amounts to be paid under the Lease in connection with the assignment and assumption of the Lease. The parties shall execute a Use and Occupancy Agreement in the form of **Attachment 4** and any other documents requested by the landlord under the Lease to effectuate the assignment and assumption of the Lease.]

ARTICLE VII
Indemnification

Section 7.01. Seller's Indemnification. Seller hereby indemnifies, defends, and holds Purchaser, and its officers, directors, managers, equity owners, employees and agents (each, a **"Purchaser Indemnified Party"**), harmless from any claims, judgments, lawsuits, actions, damages, liability, and/or obligations (including costs and attorneys' fees), including, without limitation, claims arising in contract or tort, arising out of or related to its operation of the Business prior to the Closing Date, any Excluded Asset, and the breach by Seller of any representation, warranty or covenant made in this Agreement, except for any breach of **Section 4.07** or any other warranty or promise relating to the condition of any Vehicle. It is expressly acknowledged and agreed that Purchaser's remedies with respect to Vehicles are exclusively provided under **Section 6.03**.

Section 7.02. Purchaser's and Owners' Indemnification. Purchaser and Owners hereby indemnify, defend, and hold Seller, and its affiliates and their respective officers, directors, managers, equity owners, employees and agents (each, a "**Seller Indemnified Party"**) harmless from any claims, judgments, lawsuits, actions, damages, liability, and obligations (including costs and attorneys' fees) including, without limitation, claims arising in contract or tort, arising out of or related to: (a) Purchaser's operation of the Business [and the Lease for periods] after the Closing Date; (b) the manufacture, selection, possession, use, condition, design, or operation of the Vehicles including, without limitation, damage or liability arising from Seller's negligence or breach of duty (statutory, contractual or otherwise) in connection with any installation services related to the Vehicles, except if the damage or loss relates to the condition of any Vehicle during the Warranty Period (in which case **Section 6.03** applies); and (c) the breach by Purchaser or its Owners' of any representation, warranty or covenant made in this Agreement.

Section 7.03. Procedure. If any Purchaser Indemnified Party or any Seller Indemnified Party (an "**Indemnified Party**") believes that it has suffered or incurred or will suffer or incur any damages for which it is entitled to indemnification under this **Article VII**, such Indemnified Party will so notify the party or parties from whom indemnification is being claimed (the "**Indemnifying Party**") with reasonable promptness and reasonable particularity in light of the circumstances then existing. The notice provided by the Indemnified Party to the Indemnifying Party will describe

the claim or other event or circumstance in reasonable detail and will indicate the amount (estimated, if necessary, and to the extent feasible) of the damages or losses that have been or may be suffered by the Indemnified Party. The failure of an Indemnified Party to give any notice required by this Section will not affect any of such party's rights under this Section or otherwise except, and only to the extent that, such failure is materially prejudicial to the rights or obligations of the Indemnifying Party. As promptly as possible after the Indemnified Party has delivered notice of a claim for indemnification to the Indemnifying Party, such Indemnified Party and Indemnifying Party will work together in good faith to establish the merits and amount of such claim (by mutual agreement, arbitration, litigation or otherwise). Neither an Indemnifying Party, nor an Indemnified Party, may consent to the entry of any judgment, settle or compromise any claim or consent to the entry of any judgment with respect to which indemnification is being sought hereunder without the prior written consent of the other party (which will not be unreasonably withheld, conditioned or delayed).

Section 7.04. Survival of Representations, Warranties, Covenants and Agreements. The representations, warranties, covenants and agreements of the parties contained in this Agreement shall survive the Closing Date indefinitely, except as provided herein. The representations and warranties of Seller shall expire 12 months after the Closing Date, except for claims under **Sections 4.04** and **4.06** which shall continue indefinitely, provided, however, any claim under **Section 4.07** relating to any Vehicle must be brought within the Warranty Period provided under **Section 6.03**.

Section 7.05. Limit on Liability. IN NO EVENT WILL SELLER BE LIABLE TO PURCHASER, WHETHER IN CONTRACT OR TORT INCLUDING NEGLIGENCE, FOR SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES, NOR ANY OTHER LOSSES OR DAMAGES WHATSOEVER RESULTING FROM THE ASSETS OR ANY LOSS OF USE, TIME, PROFITS OR BUSINESS RESULTING FROM SELLER'S PERFORMANCE OR NON-PERFORMANCE UNDER THIS AGREEMENT. FURTHER, THE AMOUNT OF SELLER'S LIABILITY TO THE PURCHASER PARTIES SHALL IN NO CASE EXCEED THE AMOUNT OF THE PURCHASE PRICE FOR THE ASSETS TO WHICH SUCH LIABILITY IS RELATED.

ARTICLE VIII
General Provisions

Section 8.01. Expenses. Except as otherwise expressly provided in this Agreement, each party to this Agreement will bear its respective expenses incurred in connection with the preparation, execution, and performance of this Agreement and the contemplated transactions, including all fees and expenses of agents, representatives, counsel, brokers, legal counsel and accountants.

Section 8.02. Notices. All notices, requests, demands, claims or other communications to be given hereunder shall be given in writing and delivered by (a) certified mail, return receipt requested, (b) personal delivery, or (c) overnight courier addressed to the address given for legal notices below, or to such other address furnished by any party to the other in writing at any time and from time to time for such notice purposes. Any notice given by either party shall be delivered effective five days after deposit with the U.S. postal service if given by certified mail, when received, if delivered personally, or the next business day after deposit with the courier if delivered by express courier.

If to Seller: KRYSTAL KLEAN FRANCHISOR, LLC
1326 Tamson Street, Suite 201
Cambria, California 93428
Attention: CEO

If to Purchaser: _____
_____
_____
_____

If to Owners: _____
_____
_____
_____

Section 8.03. Arbitration.

(a) Except as otherwise provided in **Section 8.03(f)**, the parties agree that all disputes arising out of this Agreement, the relationship of the parties or relating in any way to the validity, interpretation or enforcement of this Agreement, including, but not limited to, the validity and scope of the arbitration provisions under this Section shall be resolved exclusively through binding arbitration. The arbitration proceedings will be conducted before a single arbitrator according to the commercial arbitration rules of the American Arbitration Association (**"AAA"**). Unless otherwise agreed to by Seller, the arbitration shall be conducted in Passaic County, New Jersey. The arbitrator's decision shall be final and enforceable against the parties. Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

(b) All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other applicable federal statute, this Agreement and all claims arising from the relationship between the parties or relating in any way to the validity, interpretation or enforcement of this Agreement, including, but not limited to, the validity and scope of the arbitration provisions hereunder will be governed by the laws of the State of Delaware, without regard to its conflict of laws rules.

(c) In any arbitration proceeding, each party must submit or file any claim that would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any claim which is not submitted or filed as required is waived and forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either party, including, without limitation, any that may have been made during any mediation of the parties' dispute.

(d) Purchaser shall not pursue class claims, multi-plaintiff, consolidated or representative actions in any arbitration to which Purchaser, its affiliates, or any of their respective members, managers, officers, directors, agents, and/or employees are parties. Notwithstanding

the foregoing, if any court determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section, then the parties agree that this arbitration clause shall not apply to that dispute and that such dispute shall be resolved in a judicial proceeding. All documents, information, and results pertaining to any arbitration will be confidential, except as required by law.

(e) The arbitrator has the right to award or include in his or her award any relief which he or she deems proper including, but not limited to, money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs, provided that the arbitrator may not award any punitive or exemplary damages against either party (the parties hereby waiving to the fullest extent permitted by law, any right to or claim for any punitive or exemplary damages against the other).

(f) Notwithstanding anything contained herein, Seller reserves the right to seek temporary restraining orders, preliminary injunctions or other interim relief when deemed necessary to preserve the status quo or prevent irreparable injury any court of competent jurisdiction.

(g) Except as provided in **Section 8.03(f)**, for any matter which is not subject to arbitration as herein provided, each party agrees that such action or proceeding may only be brought in the federal or state courts located in Passaic County, New Jersey. Purchaser hereby waives all claims related to lack of personal jurisdiction or improper venue for the purpose of carrying out this provision. Notwithstanding the foregoing, this exclusive choice of jurisdiction and venue provision does not restrict the ability of the parties to confirm or enforce judgments or awards, including, but not limited to, arbitration awards rendered hereunder in any appropriate jurisdiction.

(h) Except as otherwise provided herein, no right or remedy conferred upon or reserved to Purchaser or Seller by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

(i) Purchaser and Seller irrevocably waive trial by jury in any action, proceeding, or counterclaim, whether at law or in equity, brought by either of them against the other, whether or not there are other parties in such action or proceeding.

Section 8.04. Waiver. The rights and remedies of the parties to this Agreement are cumulative and not exclusive. Neither the failure nor any delay by any party in exercising any right, power, or privilege under this Agreement or the documents referred to in this Agreement will operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege will preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege.

Section 8.05. Entire Agreement and Modification. This Agreement supersedes all prior agreements between the parties with respect to its subject matter and constitutes (along with the documents referred to in this Agreement) a complete and exclusive statement of the terms of the agreement between the parties with respect to its subject matter. This Agreement may not be amended except by a written agreement signed by Seller, the Owners and Purchaser.

Section 8.06. Assignment, Successors, and No Third-Party Rights. Purchaser and the Owners may not assign any of their respective rights or obligations under this Agreement without the prior written consent of Seller, which will not be unreasonably withheld. Seller may assign this Agreement to any affiliate or third party. Subject to the preceding sentences, this Agreement will apply to, be binding in all respects upon, and inure to the benefit of the successors and permitted assigns of the parties. Nothing expressed or referred to in this Agreement will be construed to give any person other than the parties to this Agreement any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement. This Agreement and all of its provisions and conditions are for the sole and exclusive benefit of the parties to this Agreement and their successors and assigns, with the exception of the Purchaser Indemnified Parties and the Seller Indemnified Parties as set forth in **Article VII.**

Section 8.07. Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

Section 8.08. Section Headings, Construction. The headings of Sections in this Agreement are provided for convenience only and will not affect its construction or interpretation. All references to "Section" or "Sections" refer to the corresponding Section or Sections of this Agreement. All words used in this Agreement will be construed to be of such gender or number as the circumstances require. Unless otherwise expressly provided, the word "including" does not limit the preceding words or terms.

Section 8.09. Construction. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

Section 8.10. Time is of the Essence. Time is of the essence with respect to the obligations of Seller and Purchaser under this Agreement.

Section 8.11. Attorneys' Fees. In any lawsuit, arbitration or other action arising out or related to this Agreement or the transaction contemplated herein (including any breach of any representation or warranty herein), the prevailing party, whether in arbitration, trial or appeal, shall be entitled to an award of its attorneys' fees and costs incurred in connection with trial, arbitration, appeal, bankruptcy, or any related proceeding.

Section 8.12. Bulk Sales. The parties hereby waive compliance with the provisions of any bulk sales, bulk transfer or similar laws of any jurisdiction that may otherwise be applicable with respect to the sale of any or all of the Assets.

{Signature Page to Company-Owned Business Purchase Agreement}

THE UNDERSIGNED, BEING DULY AUTHORIZED TO EXECUTE THIS AGREEMENT, HAVE CAREFULLY READ THE FOREGOING AGREEMENT, FULLY UNDERSTAND IT, AND HAVE KNOWINGLY AND VOLUNTARILY ENTERED INTO THIS AGREEMENT ON THE DATE FIRST SET FORTH ABOVE INTENDING TO BE LEGALLY BOUND.

SELLER:

KRYSTAL KLEAN FRANCHISOR, LLC

By: _____
Lorraine Matarazzo, Chief Administrative Officer

PURCHASER:

[INSERT LEGAL NAME]

By:_____
Name: _____
Title: _____

OWNERS:

_____
Name: _____, individually

_____
Name: _____, individually

Schedule 1.01(d)
to
Company-Owned Business Purchase Agreement

Assets

1. Vehicles (includes wash box and related equipment)

Serial Number/VIN	Description of Vehicle (make/model)

2. Other Equipment

Attachment 1
to
Company-Owned Business Purchase Agreement

Secured Promissory Note

[See **Exhibit I** to this Disclosure Document]

Attachment 2
to
Company-Owned Business Purchase Agreement

Bill of Sale, Assignment and Assumption and Closing-Bring Down Agreement

THIS BILL OF SALE, ASSIGNMENT AND ASSUMPTION AND CLOSING-BRING DOWN AGREEMENT (this **"Agreement"**) is entered into on _____ (the **"Closing Date"**) and is between **KRYSTAL KLEAN FRANCHISOR, LLC**, a Delaware limited liability company (**"Seller"**), on the one hand, and _____, a _____ _____(**"Purchaser"**) and its owners, _____ and _____ (collectively, the **"Owners"**), on the other hand (collectively, the Purchaser and the Owners are the **"Purchaser Parties"**). This Agreement is made pursuant to that certain Company-Owned Purchase Agreement between Seller and the Purchaser Parties dated as of _____ (the **"Purchase Agreement"**). In consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Upon the terms and subject to the conditions set forth in the Purchase Agreement, Seller hereby transfers, conveys, and assigns all of its rights, title and interest in and to the Assets to Purchaser, and Purchaser hereby purchases, acquires, and takes delivery and possession of the Assets. Purchaser will perform, pay, satisfy and discharge all obligations, liabilities and duties related the Assets (including without limitation customer service agreements, leases and other agreements included among the Assets), except as expressly provided under the Purchase Agreement.

2. Seller represents that it has performed all obligations required to be performed by it under the Purchase Agreement and all of the representations and warranties contained in Article IV of the Purchase Agreement are true and correct.

3. The Purchaser Parties represent that the Purchaser Parties have performed all obligations required to be performed by the Purchaser Parties under the Purchase Agreement and that all of the representations and warranties contained in Article V of the Purchase Agreement are true and correct.

4. Capitalized terms used herein that are not defined herein have the meanings given to them in the Purchase Agreement. This Bill of Sale may be executed in electronically and/or in counterparts with the same effect as if this Bill of Sale had been signed manually as a single document.

{Signature Page to Bill of Sale, Assignment and Assumption and Closing Bring-Down Agreement}

This Agreement has been duly executed and delivered as of the Closing Date.

SELLER:

KRYSTAL KLEAN FRANCHISOR, LLC

By: _____
Lorraine Matarazzo, Chief Administrative Officer

PURCHASER:

[INSERT LEGAL NAME]

By:_____
Name: _____
Title: _____

OWNERS:

_____
Name: _____, individually

_____
Name: _____, individually

Attachment 3
to
Company-Owned Business Purchase Agreement

ADDITIONAL TERMS

[INSERT]

SELLER:

KRYSTAL KLEAN FRANCHISOR, LLC

By: _____
Lorraine Matarazzo, Chief Administrative Officer

PURCHASER:

[INSERT LEGAL NAME]

By:_____
Name: _____
Title: _____

OWNERS:

_____
Name: _____, individually

_____
Name: _____, individually

Lease Documents
Attachment 4
to
Company-Owned Business Purchase Agreement

[LEASE ASSIGNMENT AGREEMENT

THIS LEASE ASSIGNMENT AGREEMENT (this "**Agreement**") is effective on _____ (the **"Closing Date"**) and is by and between _____, a _____ (the **"Company"**) and _____, a _____ (the "**Assignee**").

RECITALS

A. The Company is the current holder of the lessee's interest under that certain lease agreement dated _____ (as amended, the "**Lease**").

B. The Lease grants the Company the right to rent and use the real property located at _____(collectively, the **"Premises"**).

C. [The Company] [or] [The Company's affiliate, KRYSTAL KLEAN FRANCHISOR, LLC] and Assignee have contemporaneously entered into a Franchise Agreement and a Company-Owned Purchase Agreement granting to Assignee the right and obligation to assume the Lease for the Premises as set forth in this Agreement (the **"Purchase Agreement"**).

D. The parties hereto desire as follows: (i) the Company desires to assign the Lease to Assignee; (ii) Assignee has reviewed the Lease, and desires to accept the foregoing assignment and assume all obligations of tenant under the Lease; and (iii) _____ (**"Lessor"**) desires to consent to said assignment, as provided below.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The recitals set forth above true and correct and are incorporated herein by reference.

2. All capitalized terms used, but not otherwise defined, herein have the respective meanings given to them in the Lease.

3. The Company hereby assigns, conveys and transfers to Assignee, all right, title and interest of the Company in, to and under the Lease.

4. In consideration of the foregoing assignment, Assignee hereby accepts the foregoing assignment and hereby assumes and agrees to be bound by, and to perform all the terms, provisions, covenants, conditions, and agreements to be performed by the Company pursuant to the Lease.

5. The rights and remedies of the parties to this Agreement are cumulative and not exclusive. Neither the failure nor any delay by any party in exercising any right, power, or privilege under this Agreement or the documents referred to in this Agreement will operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege will preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege.

6. This Agreement supersedes all prior agreements between the parties with respect to its subject matter and constitutes (along with the documents referred to in this Agreement) a complete and exclusive statement of the terms of the agreement between the parties with respect to its subject matter. This Agreement may not be amended except by a written agreement signed by both parties.

7. Assignee may not assign its rights or obligations hereunder without the prior written consent of the Company. Nothing expressed or referred to in this Agreement will be construed to give any person other than the parties to this Agreement any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement. This Agreement and all of its provisions and conditions are for the sole and exclusive benefit of the parties to this Agreement.

8. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

9. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

10. In any lawsuit, arbitration or other action arising out or related to this Agreement or the transaction contemplated herein (including any breach of any representation or warranty herein), the prevailing party, whether in arbitration, trial or appeal, shall be entitled to an award of its attorneys' fees and costs incurred in connection with trial, arbitration, appeal, bankruptcy, or any related proceeding.

11. The arbitration provisions of the Purchase Agreement shall apply *mutatis mutandis* to any disputes between the parties herein.

12. This Agreement may be executed electronically (e.g., via Docusign) or in any number of counterparts, each of which shall be deemed an original, with the counterparts shall together constitute one agreement. Any signature on a copy of this Agreement or any document necessary or convenient thereto sent electronically shall be binding upon transmission and the electronic copy may be utilized for purposes of this Agreement.

{Signature Page to Lease Assignment Agreement}

IN WITNESS WHEREOF, the undersigned have executed and delivered this Agreement as of the date first set forth above.

THE COMPANY:

[INSERT NAME]

By:_____
Name: Lorraine Matarazzo
Title: Chief Administrative Officer

ASSIGNEE:

[INSERT NAME]

By:_____
Name: _____
Title: _____

Landlord's Consent

By signing below, Lessor hereby consents to the assignment of the Lease to Assignee. Lessor also acknowledges and agrees that (a) the Company is not in default in the performance of the Lease, nor has the Company committed any breach thereof and Lessor has no knowledge of any event or condition that, with the giving of notice or the passage of time, or both, would constitute a default under the Lease; and (b) the Company is hereby released from all obligations and liabilities under the Lease arising or accruing from and after the Closing Date. Notices to Company as provided under the Lease and to the new Tenant at:

_____
_____
_____
_____

[INSERT NAME]

By:_____
Name:_____
Title:_____] **[OR]**

[USE AND OCCUPANCY AGREEMENT

THIS USE AND OCCUPANCY AGREEMENT (this "**Agreement**") is made on _____, is effective as of _____ (the **"Closing Date"**) and is by and between _____, a _____ (the "**Company**") and _____, a _____ (**"Franchisee"**).

RECITALS

A. The Company is the current holder of a leasehold interest, as Lessee, under that certain Lease Agreement between _____ (**"Lessor"**) and the Company dated _____ (the "**Lease**").

B. The real property leased under the Lease is located at _____ (the **"Premises"**).

C. [The Company] [or] [The Company's affiliate, KRYSTAL KLEAN FRANCHISOR, LLC] and Franchisee have contemporaneously entered into a Franchise Agreement for the _____ market (the "**Franchise Agreement**") including without limitation the right and obligation to use and occupy the Premises as set forth in this Agreement.

D. The parties hereto desire as follows: (i) the Company desires to grant Franchisee the right to use and occupy Premises; and (ii) Franchisee desires to accept the use and occupancy, hereinafter referred to as **"Occupancy"**, of the Premises subject to the conditions of Lease and the conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The recitals set forth above true and correct and are incorporated herein by reference.

2. All capitalized terms used, but not otherwise defined, herein have the respective meanings given to them in the Lease or in the Franchise Agreement and such definitions are incorporated herein by reference.

3. The Company hereby grants Franchisee the right to use and occupy Premises from the Closing Date until the earlier of the expiration of the Lease or the valid assignment of the Lease pursuant to its terms, in accordance with all of the terms and conditions of the Lease.

4. In consideration of the foregoing grant, Franchisee shall pay the monthly rental payments set out in the Lease directly to the Company in the amount and at least five business days prior to the due date for payment as provided for under the Lease. The Company shall directly remit the monthly rental payments to the Lessor. At the Company's option, such payments shall be made by deduction under Section 3.8.3 of the Franchise Agreement. In the event Franchisee fails to tender the rental payments to the Company as required hereunder, the Company shall have the right to terminate this Agreement upon five days' written notice if the rent

is not thereafter paid immediately within such 5-day grace period. Franchisee's failure to pay the rent also shall be considered an event of default under the Franchise Agreement.

5. It is understood and agreed to by the parties that the Company shall continue as the Lessee under the Lease, in all material respects, be responsible for any communication with the Lessor and remain liable under the terms of the Lease.

6. Franchisee hereby agrees to use, occupy and maintain the Premises only in the manner as provided for in the Lease and shall conduct its franchised Krystal Klean business in such a manner that will not cause the Company to be in default under the Lease. Any use by Franchisee in any manner not authorized under the Lease or in accordance with applicable laws, rules and regulations shall constitute a default of this Agreement and the Franchise Agreement. In such event, the Company shall have the right to terminate this Agreement within 15 days of giving Franchisee written notice of the default and opportunity to cure the same within such 15-day period.

7. This Agreement shall be terminable by the Company effective upon written notice in the event of any termination of the Franchise Agreement by the Company due to Franchisee's default, and not cured by Franchisee in accordance with the applicable cure periods under the Franchise Agreement.

8. The Company shall remain obligated for any claims or causes of action, including cleanup of any such environmental damage caused by the Company, it's agents or employees which arose on the Premises during the Company's occupancy of the Premises prior to the date of the Agreement. Franchisee shall be obligated for any claims or causes of action, including cleanup of any such environmental damage caused by Franchisee, its agents or employees which arise on the Premises and are related to Franchisee's occupancy of the Premises under this Agreement from and after the Closing Date.

9. It is understood that any such new or renewed lease would be directly between Franchisee and Lessor.

10. The persons executing this Agreement on behalf of the Company and Franchisee, respectively, represent and warrant that they have the right, power, legal capacity and authority to execute this Agreement and to bind the party for whom they are signing.

11. The rights and remedies of the parties to this Agreement are cumulative and not exclusive. Neither the failure nor any delay by any party in exercising any right, power, or privilege under this Agreement or the documents referred to in this Agreement will operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege will preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege.

12. This Agreement supersedes all prior agreements between the parties with respect to its subject matter and constitutes (along with the documents referred to in this Agreement) a complete and exclusive statement of the terms of the agreement between the parties with respect to its subject matter. This Agreement may not be amended except by a written agreement signed by both parties.

13. Franchisee may not assign its rights or obligations hereunder without the prior written consent of the Company. Nothing expressed or referred to in this Agreement will be construed to give any person other than the parties to this Agreement any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement. This Agreement and all of its provisions and conditions are for the sole and exclusive benefit of the parties to this Agreement.

14. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

15. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

16. In any lawsuit, arbitration or other action arising out or related to this Agreement or the transaction contemplated herein (including any breach of any representation or warranty herein), the prevailing party, whether in arbitration, trial or appeal, shall be entitled to an award of its attorneys' fees and costs incurred in connection with trial, arbitration, appeal, bankruptcy, or any related proceeding.

17. The arbitration provisions of the Purchase Agreement shall apply *mutatis mutandis* to any disputes between the parties under this Agreement.

18. Time is of the essence with regard to each and every term, covenant, provision and condition of this Agreement.

19. All notices or other communications to be given hereunder shall be given in writing and delivered by (a) certified mail, return receipt requested, (b) personal delivery, or (c) overnight courier addressed to the address given for legal notices under the Purchase Agreement, or to such other address furnished by any party to the other in writing at any time and from time to time for such notice purposes. Any notice given by either party shall be delivered effective five days after deposit with the U.S. postal service if given by certified mail, when received, if delivered personally, or the next business day after deposit with the courier if delivered by express courier.

20. This Agreement may be executed electronically (e.g., via Docusign) or in any number of counterparts, each of which shall be deemed an original, with the counterparts shall together constitute one agreement. Any signature on a copy of this Agreement or any document necessary or convenient thereto sent electronically shall be binding upon transmission and the electronic copy may be utilized for purposes of this Agreement.

{Signature Page to Use and Occupancy Agreement}

IN WITNESS WHEREOF, the undersigned have executed and delivered this Agreement as of the date first set forth above.

THE COMPANY:

[INSERT NAME]

By:_____
Name: Lorraine Matarazzo
Title: Chief Administrative Officer

FRANCHISEE:

[INSERT NAME]

By:_____
Name: _____
Title: _____]

Attachment 5
to
Company-Owned Business Purchase Agreement

REVOLVING CREDIT AGREEMENT

THIS REVOLVING CREDIT AGREEMENT (this **"Agreement"** or **"Credit Agreement"**) is effective on _____ (the **"Closing Date"**) by and between **KRYSTAL KLEAN FRANCHISOR, LLC**, a Delaware limited liability company (**"Lender"**), on the one hand, and _____, a _____, and its 100% owners, _____, an individual residing in _____ and _____, an individual residing in _____ (individually and collectively, **"Borrower"**), on the other hand.

In consideration of the mutual covenants, promises, representations and warranties set forth herein, the parties agree as follows:

ARTICLE I

DEFINITIONS

The terms below shall have the following meanings:

"Advance" is defined in **Section 2.01.**

"Affiliate" means any person or entity controlled by, under common control with or which is controlled by Borrower.

"Annual Interest Rate" means 10% per annum on a compounded basis.

"Business Day" means a day other than a Saturday, Sunday or other day on which commercial banks are authorized or required to close under the laws of the State of Delaware.

"Credit Request" is defined in **Section 2.01.**

"Franchise Agreement" means the Franchise Agreement between the parties dated as of _____, as amended.

"Loan Commitment Amount" means $50,000, the aggregate amount that Lender may lend to Borrower hereunder.

"Person" means and include an individual, a partnership, a corporation, a limited liability company, a trust, an unincorporated association, a joint venture or any other entity or a government or any agency or political subdivision thereof.

"Outstanding Principal Balance" means the aggregate amount of all Advances made by Lender to Borrower hereunder, less repayment.

"Payments" include without limitation, payments of salaries, bonuses, distributions, dividends, loan payments or any other form of payment or compensation.

"Related Party" means an affiliate of Borrower or any of its owners or a person that is an immediate family member of Borrower or any of its owners.

"Secured Obligations" are defined in **Section VI.**

ARTICLE II

GENERAL

2.01 Advances. Lender may make advances to Borrower (each, an **"Advance"**) from time to time during the term of this Agreement up to the Loan Commitment Amount. Advances shall be either initiated by Lender, in its reasonable discretion, or initiated by Borrower. Advances initiated by Lender shall be initiated at any time that Lender believes that Borrower has a shortage of available working capital, as determined in its sole discretion, however, nothing herein obligates Lender to make such Advances. Advances initiated by Borrower shall be requested in a writing that specifies the amount of the Advance and the date that Borrower requests that the Advance be made available (a **"Credit Request"**). Advances shall be made by direct wire transfer of funds from Lender to an account designated by Borrower to Lender unless otherwise agreed in advance by the parties. Lender's books and records recording the amount of the Advances and the date on which the Advances were made shall be final and binding on the parties hereto.

2.02 No Obligation to Make Advances. Notwithstanding anything in this Agreement to the contrary, Lender has no obligation under this Agreement to make any Advance hereunder.

2.03 Use of Proceeds. The Advances shall be used by Borrower exclusively for working capital related to the operation of its Krystal Klean franchise and for no other purpose.

ARTICLE III

INTEREST

Borrower shall pay interest on the Outstanding Principal Balance at the Annual Interest Rate from the date of each Advance to and including the date of repayment. Interest on the Advances shall be computed based on a year deemed to consist of 365 days and paid for the actual number of days elapsed and compounded weekly. In no event shall the amount or rate of interest due and payable under this Agreement exceed the maximum amount or rate of interest allowed by applicable law and, if any such excess payment is made by Borrower or received by Lender, such excess sum shall be credited as a payment of principal (or if no principal shall remain outstanding, shall be refunded to Borrower).

ARTICLE IV

PAYMENT

4.01 General. Borrower shall repay a minimum of $100 each week against the

Outstanding Principal Balance and interest owed hereunder. The Outstanding Principal Balance and interest due hereunder is due and shall be paid in full within 36 months after the Closing Date. Such payments shall be made at the same time and in the same manner as Borrower makes royalty payments to Lender under the Franchise Agreements (which method may be changed from time to time at Lender's discretion under Section 4.02.)

4.02 Method. Borrower shall repay the principal and interest due hereunder Borrower at the same intervals and in the same manner as Borrower makes royalty payments to Lender under the Franchise Agreement. At Lender's option, Lender is authorized to withdraw amounts due hereunder from Borrower's designated bank account by electronic funds transfer. Lender may change the method of payment effective on notice to Borrower, and thereafter, Borrower shall make payments required hereunder by the method or methods that Lender specifies from time to time and shall enter all agreements and do all things necessary to implement Lender's designated payment method. Each installment, when paid, shall be credited first toward interest then due and the remainder toward principal, and interest shall thereon cease on the principal then credited. Should the interest not be so paid, it shall, at the sole option of Lender, become a part of the principal and thereafter bear like interest as the principal.

4.03 Prepayment. Borrower shall have the right, in its sole discretion, to prepay, in whole or in part, the Outstanding Principal Balance at any time, without any penalty.

ARTICLE V
DEFAULT

5.01 Default. All principal and interest owed pursuant to this Agreement shall become due and payable immediately at the option of Lender upon written notice by Lender to Borrower on the happening of any of the following events (each, an **"Event of Default"**):

(a) Borrower pledges or otherwise encumbers its assets without Lender's prior written consent;

(b) Borrower transfers any material portion of the collateral listed on Schedule 1 without Lender's prior written consent;

(c) Borrower transfers any interest in the Franchise Agreement, undergoes a change in control, sells a material portion of its assets used in conducting the business operated under the Franchise Agreement, issues equity, or if any owner of Borrower transfers any equity in Borrower;

(d) Borrower uses the funds for any purpose other than as described in **Section 2.03**;

(e) Borrower, or its affiliate, defaults under the Franchise Agreement or any other agreement with Lender or any affiliate of Lender, subject to any cure period permitted under the applicable agreement;

(f) Borrower becomes insolvent, makes a general assignment for the benefit of creditors, commences proceedings for dissolution or liquidation or proceedings under any

bankruptcy, insolvency, readjustment of debt or liquidation law or statute of the Federal or State governments or is adjudicated as bankrupt or insolvent, or the involuntary appointment of a receiver, or applications

(g) Borrower fails to make any payment under this Agreement when due after 10 days written notice has been provided to Borrower by Lender;

(h) Borrower defaults under any other loan or extension of credit with any lender or creditor, subject to any cure period permitted under the applicable loan or credit agreement;

(i) Borrower fails to make any payment owed to its landlord, employees, utilities providers, any taxing authority or other governmental party, or any other third-party vendor or creditor after10 days written notice has been provided to Borrower;

(k) Borrower does not participate or enroll in, ceases to participate or enroll in Administrative Support Services (Tier 1) or terminates, attempts to terminate, or is in default of, subject to any cure period permitted, the Support Services Agreement with Lender; or

(l) Borrower violates any other provision of this Agreement not listed above after 10 days written notice has been provided to Borrower by Lender.

5.02 Remedies For Default. If an Event of Default occurs, Lender may exercise any one or more of the following remedies upon the delivery of written notice to Borrower: (a) Lender may declare the entire unpaid balance of principal and interest immediately due and payable; (b) principal and interest shall bear interest at the maximum rate permitted by law; (c) Lender may exercise its right as a secured party with respect to the collateral secured hereunder; and (d) Lender may exercise and any all remedies available to a creditor upon default as provided hereunder or at law. These remedies are cumulative, and the selection of a single remedy shall not limit Lender's right to exercise any other remedy.

5.03 Cross-Default. Borrower agrees that an Event of Default hereunder constitutes a default under the Franchise Agreement entitling Lender to immediately terminate the Franchise Agreement effective upon delivery of written notice thereunder.

ARTICLE VI

SECURITY INTEREST

To secure the payment of principal and interest due hereunder and the payment and performance of all other obligations of Borrower to Lender hereunder (the **"Secured Obligations"**), Borrower grants to the Lender a first-priority security interest in the collateral listed in Schedule 1. Borrower agrees, at Borrower's expense, to take any actions requested by Lender to further the attachment, perfection and first priority of, and the ability of Lender to enforce, Lender's security interest in the collateral.

ARTICLE VII

ADDITIONAL AGREEMENTS

SECTION 7.01. Bookkeeper. Borrower shall engage a bookkeeper or accountant

specified by Lender and shall cause such bookkeeper or accountant to prepare and provide financial reporting, as reasonably requested by Lender, regarding its financial condition directly to Lender. Such reports shall cover the time periods, be in the format(s) and contain the information regarding Borrower's financial condition as specified by Lender. All costs and expenses relating to the services of such bookkeeper or accountant shall be borne by Borrower.

SECTION 7.02. Limitation on Payments. Borrower shall not make Payments (as defined) to any Related Party (as defined) more than the Operating Principal's (as defined in the Franchise Agreement) current salary ($[_____] weekly) plus distributions of $[_____] per week.

ARTICLE VIII

MISCELLANEOUS

SECTION 8.01 Amendments and Waiver. No amendment, modification or waiver of any provision of this Agreement shall be effective unless the same shall be in writing and signed by Borrower and Lender; provided, however, that any such waiver or consent shall be effective only in the specific instance and for the purpose for which given. The failure of either party at any time to require performance by the other party of any provision of this Agreement shall not affect in any way the full right to require the performance at any subsequent time. The waiver by either party of a breach of any provision of this Agreement shall not be taken or held to be a waiver of the provision itself. Any course of performance shall not be deemed to amend or limit any provision of this Agreement.

SECTION 8.02 Severability and Construction. If any provision of this Agreement is deemed to be void, invalid, or unenforceable, that provision shall be severed from the remainder of this Agreement, as the case may be, so as not to cause the invalidity or unenforceability of the remainder of this Agreement. All remaining provisions shall then continue in full force and effect. If any provision shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope and breadth permitted by law.

SECTION 8.03 Captions. Captions are intended for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision of this Agreement.

SECTION 8.04 Counterparts. This Agreement may be executed by the parties in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

SECTION 8.05 Entire Agreement. This Agreement sets forth all of the promises, agreements, conditions and understandings between the parties respecting the subject matter hereof and supersedes all negotiations, conversations, discussions, correspondence, commitments, memorandums and agreements between the parties concerning the subject matter.

SECTION 8.06 Disputes.

(a) This Agreement shall be interpreted and construed exclusively under the laws of the State of Delaware, which laws shall prevail in the event of any conflict of law (without regard to, and without giving effect to, the application of Delaware choice-of-law rules).

(b) Except as expressly provided to the contrary in this Agreement, any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction. Any dispute as to whether this arbitration clause applies or whether any particular claim is subject to arbitration shall be decided by arbitration in accordance with this Section.

(c) Borrower, its affiliates, and their respective equity owners, officers, directors, agents, and/or employees shall not pursue class claims, multi-plaintiff, consolidated or representative actions in any arbitration to which Lender, its affiliates or any of their respective equity Lenders, officers, directors, agents, and/or employees are parties. Notwithstanding the foregoing, if any court determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section, then the parties agree that this arbitration clause shall not apply to that dispute and that such dispute shall be resolved in a judicial proceeding.

(d) The place of arbitration shall be the AAA office located in Passaic County, New Jersey.

(e) All documents, information, and results pertaining to any arbitration will be confidential, except as required by law or as required for Lender to comply with laws and regulations applicable to the sale of franchises.

(f) The parties will comply with this Agreement and perform their respective obligations under this Agreement during the arbitration process.

(g) Notwithstanding anything contained herein, Lender reserves the right to make claims relating to unpaid amounts owed by Borrower to Lender under this Agreement in any court of competent jurisdiction. For any matter which is not subject to the arbitration provisions of this Section, each party hereto consents to personal jurisdiction in the federal or state courts located in Passaic County, New Jersey. Borrower hereby waives all questions of personal jurisdiction or venue for the purpose of carrying out this provision. This exclusive choice of jurisdiction and venue provision does not restrict the ability of the parties to confirm or enforce judgments or awards in any appropriate jurisdiction.

(h) No right or remedy conferred upon or reserved to Lender or Borrower under this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

(i) Lender and Borrower irrevocably waive trial by jury in any action, proceeding, or counterclaim, whether at law or in equity, brought by either of them against the other, whether or not there are other parties in such action or proceeding.

(j) If Lender seeks to enforce this Agreement in an arbitration or a judicial or other proceeding, it shall be entitled to recover its reasonable costs and expenses relating to collecting amounts owed hereunder (including attorneys' fees, attorneys' assistants' fees, accountants'

fees, expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel, room and board, salaries and benefits of those employees participating in such proceeding) incurred in connection with such judicial or other proceeding.

SECTION 8.07 Acknowledgement. Each party acknowledges that he, she or it has had an adequate opportunity to review this Agreement and consult with attorneys if he, she or it so desires.

SECTION 8.08 Assignment. Lender may assign and transfer this Agreement to a successor lender at any time in the Lender's discretion. Borrower may be requested to execute any documents required to transfer this loan to another lender.

SECTION 8.09 Time. Time is of the essence with regard to each and every term, covenant, provision and condition of this Agreement.

SECTION 8.10 Notices. All notices or other communications to be given hereunder shall be given in writing and delivered by (a) certified mail, return receipt requested, (b) personal delivery, or (c) overnight courier addressed to the address given for legal notices under the Franchise Agreements, or to such other address furnished by any party to the other in writing at any time and from time to time for such notice purposes. Any notice given by either party shall be delivered effective five days after deposit with the U.S. postal service if given by certified mail, when received, if delivered personally, or the next business day after deposit with the courier if delivered by express courier.

SECTION 8.11 Joint and Several Liability. Borrower's liability under this Agreement shall be joint and several.

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be duly executed and delivered on its behalf as of the day and year first above written.

BORROWER

[INSERT BORROWER'S LEGAL NAME - ENTITY]

By: _____
Name: _____
Title: _____

[INSERT OWNERS]

_____
Name: _____

_____
Name: _____

LENDER
KRYSTAL KLEAN FRANCHISOR, LLC

By: _____
Lorraine Matarazzo, Chief Administrative Officer

Schedule 1

to Revolving Credit Agreement

All assets of the franchise(s) operated under the Franchise Agreement (the **"Business"**):

(a) furniture, fixtures and equipment used in the Business;

(b) all material and transferrable, permits and leases associated with the Business;

(c) all supplies, items, and other inventory, and all accounts, general intangibles, contract rights, leases, chattel paper, franchise agreements, customer accounts, customer lists, customer contracts, accounts receivable, rents, royalties, books and records, machinery, tools, documents and instruments, documents of title and policies and certificates of insurance relating thereto, and all other personal property of Borrower, and all accessions, parts, accessories, attachments and appurtenances thereto, substitutions therefor and replacements thereof, and all proceeds and products of all of the foregoing, including, without limitation, insurance, contract and tort proceeds and claims, and including all inventory, accounts, chattel paper, documents, instruments, equipment, machinery, furniture, tools, fixtures, consumer goods and general intangibles acquired with cash proceeds of any of the foregoing items or types of property; in all cases whether now owned or hereafter acquired by Borrower and wherever located; and

(d) any additions to the above or hereafter acquired assets used in or associated with the assets listed above or the Business.

EXHIBIT G

SOFTWARE LICENSE AGREEMENT

THIS SOFTWARE LICENSE AGREEMENT made as of _____ (the **"Effective Date"**), by and between **KRYSTAL KLEAN FRANCHISOR, LLC**, a Delaware limited liability company having its principal place of business at 1326 Tamson Street, Suite 201, Cambria, California 93428 (**"Franchisor"**), on the one hand, and _____, having its principal place of business at _____ (**"Franchisee"**), on the other hand, with reference to the following facts:

A. Franchisor and Franchisee have entered into a Franchise Agreement (the **"Franchise Agreement"**) under which Franchisor has granted Franchisee a license to use the methods, procedures and products developed by Franchisor (the **"System"**) to operate a business that provides mobile, on-site pressure washing services, window cleaning services and related services (the **"Franchise"**).

B. Franchisor and Franchisee desire to enter into this Agreement to grant Franchisee a license to use the package of computer programs, data and related materials known as "Krystal Klean" (the **"Software"**) for tracking and managing data related to the System and the Franchise (the **"License"**) on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, IT IS AGREED:

1. GRANT OF SOFTWARE LICENSE

Franchisor grants to Franchisee, upon the terms and conditions contained in this Agreement, a non-exclusive right to use the Software only in connection with Franchisee's operation of the Franchise.

2. TERM OF AGREEMENT

The term of this Agreement shall commence on the Effective Date and shall expire upon the expiration or termination of the Franchise Agreement, whichever shall first occur, unless sooner terminated under the terms of this Agreement.

3. LICENSE AND MAINTENANCE FEES

Franchisee shall pay Franchisor a reasonable license fee (as of the date of this Agreement, $125 per location) (the "**License Fee**") plus a monthly support and access fee of $125 per device for device assistance (the "**Support Fee**"). The Support Fee may be adjusted on an annual basis based on the percentage increase in the CPI (published by the U.S. Bureau of Statistics) for the prior 12-month period. Franchisee shall pay Franchisor the License Fee and Support Fee either by check, or by direct debit by Franchisor against a bank account maintained by Franchisee, as Franchisor shall determine, in Franchisor's sole and absolute discretion, and any failure by Franchisee to do so shall be deemed to be a breach of this Agreement. Franchisee hereby authorizes Franchisor to initiate debit entries and/or credit collection entries to Franchisee's designated primary business operating checking or savings account for the payment of the License Fee and Support Fee. Franchisee shall not be entitled to set-off the payments of the License Fee and Support Fee against any monetary claim Franchisee may have against Franchisor.

4. OWNERSHIP OF SOFTWARE

Franchisor shall have sole and exclusive ownership of all right, title and interest in and to the Software, all modifications and enhancements of the Software, including all trade secrets and copyrights pertaining thereto, and all rights of every kind and character whatsoever, whether or not those rights are now existing or come into existence hereafter, and whether or not the rights are now known, recognized or contemplated, subject only to the rights granted to Franchisee under this Agreement. Franchisee represents with respect to the Software that:

4.1 Franchisee shall use only the Software in the manner authorized and permitted by this Agreement.

4.2 Franchisee shall use the Software only in connection with the operation of the Franchise and any unauthorized use thereof shall constitute an infringement. Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge, or use the Software for the benefit of anyone else.

4.3 During the term of this Agreement and after its expiration or termination, Franchisee shall not directly or indirectly contest the validity of, or Franchisor's ownership of, the Software, nor take any other action which may tend to jeopardize Franchisor's interest therein, or Franchisor's right to use, and to license others to use, the Software.

4.4 Franchisee's use of the Software pursuant to this Agreement does not give Franchisee any ownership interest or other interest in or to the Software other than the License granted by this Agreement.

4.5 The License granted under this Agreement to Franchisee is non-exclusive.

5. TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement, all rights granted under this Agreement to Franchisee shall forthwith terminate and Franchisee shall immediately and permanently cease to use the Software. Any default by Franchisee under the terms and conditions of the Franchise Agreement or any other agreement between Franchisor, or its affiliates (including among others, Franchisor), and Franchisee, shall be deemed to be a default of this Agreement. In the event of the termination or expiration of the Franchise Agreement, this Agreement shall automatically terminate. The termination of this Agreement shall be without prejudice to any other remedy or cause of action which Franchisor may have against Franchisee to recover damages for any breach hereof. Upon termination or the expiration of this Agreement, Franchisee shall immediately deliver to Franchisor all components of the Software and any confidential information relating to the Software which are in Franchisee's possession, and all copies thereof.

6. ASSIGNMENT

Franchisee shall not sell, encumber, assign, transfer, convey, pledge, merge, license or give away any direct or indirect interest in this Agreement, the Software or the License. Any purported assignment or transfer shall be null and void and shall constitute a material breach of this Agreement, for which Franchisor may immediately terminate this Agreement.

7. INJUNCTIVE RELIEF

Franchisee acknowledges that failure to comply with the terms of this Agreement will result in irreparable injury to Franchisor and Franchisor for which no adequate remedy at law may be available, and Franchisee consents to the issuance of, and agrees to pay all court costs and reasonable attorneys' fees incurred by either Franchisor or Franchisor in obtaining, without the posting of any bond, an ex parte or other order for injunctive or other legal or equitable relief with respect to the requirements of this Agreement.

8. WARRANTIES; LIMITATION OF LIABILITY

Franchisor does not provide any warranties, expressed or implied, including any warrantee of merchantability or fitness for a particular purpose. Franchisor shall not be liable for any loss of profit, loss of business or other financial loss which may be caused by, directly or indirectly, the inadequacy of the Software for any purpose or any use thereof or by any defect or deficiency therein. Franchisee acknowledges and agrees that Franchisor's liability for damages, if any, shall not exceed the charges paid to Franchisor by Franchisee under this Agreement. Franchisor and Franchisee, and their respective directors, officers, shareholders and guarantors, as applicable, each hereby waive to the fullest extent permitted by law, any right to, or claim for, punitive or exemplary damages against the other and agree that, in the event of a dispute between them, each is limited to recovering only the actual damages proven to have been sustained by it subject to the limitations contained in this **Section 8**.

9. RECORDKEEPING

Franchisee shall prepare and preserve, for a period of at least seven years from the date of the transaction, and in hard copy and recoverable electronic form, records of all of Franchisee's customer transactions containing a minimum of the following (a) transaction date; (b) services rendered and/or products sold; (c) customer name and address; and (d) amount of the transaction.

10. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

10.1 Franchisee is an independent contractor; and nothing in this Agreement is intended to constitute or appoint either party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever.

10.2 Franchisee shall indemnify and hold harmless to the fullest extent by law, Franchisor, its affiliates and their respective directors, officers, employees, shareholders, and agents, (collectively the **"Indemnitees"**) from any and all losses and expenses (as hereinafter defined) incurred in connection with any litigation or other form of adjudicatory procedure, claim, demand, investigation, or formal or informal inquiry (regardless of whether same is reduced to judgment) or any settlement thereof which arises directly or indirectly from, as a result of, or in connection with Franchisee's breach or failure to perform any of its representations, warranties, covenants or agreements set forth in this Agreement or with Franchisee's use of the Software (collectively an **"event"**). For the purpose of this **Section 10.2**, the term **"losses and expenses"** shall be deemed to include compensatory, exemplary, or punitive damages; fines and penalties; attorneys' fees; experts' fees; court costs; costs associated with investigating and defending against claims; settlement amounts; judgments; compensation for damages to Franchisor's reputation and goodwill; and all other costs associated with any of the foregoing losses and expenses. Franchisee shall give Franchisor prompt notice of any event of which it is aware, for which

indemnification is required, and, 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 thereof, provided that Franchisor will seek the advice and counsel of Franchisee. Any assumption of Franchisor shall not modify Franchisee's indemnification obligation. Franchisor may, in its sole judgment, take such actions as it seems necessary and appropriate to investigate, defend, or settle any event or take other remedial or corrective actions with respect thereof as may be, in Franchisor's sole judgment, necessary for the protection of the indemnities or the System. Franchisee shall defend Franchisor and each of its affiliates, officers, directors, shareholders, agents, and employees named in any lawsuit based on such loss or expenses and shall pay all costs and reasonable attorney' fees associated with such defense.

11. WAIVERS

No delay, waiver, omission, or forbearance on the part of Franchisor to exercise any right, option, duty, or power arising out of any breach or default by Franchisee of any of the terms, provisions, or covenants thereof, and no custom or practice by the parties at variance with the terms of this Agreement, shall constitute a waiver by Franchisor to enforce any such right, option, or power as against Franchisee, or as to a subsequent breach or default by Franchisee. Subsequent acceptance by Franchisor of any payments due to it under this Agreement shall not be deemed to be a waiver by Franchisor of any preceding or succeeding breach by Franchisee of any terms, covenants, or conditions of this Agreement.

12. ENTIRE AGREEMENT, SEVERABILITY AND CONSTRUCTION

12.1 Entire Agreement. This Agreement is the entire and complete Agreement between Franchisor and Franchisee concerning the subject matter thereof, and supersede all prior agreements. No amendment, change, or variation from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

12.2 Severability and Construction. Except as expressly provided to the contrary herein, each section, paragraph, part, term, and provision of this Agreement shall be considered severable; and if, for any reason, any section, paragraph, part, term, provision, and/or covenant herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portions, sections, paragraphs, parts, terms, provisions, and/or covenants of this Agreement as may remain otherwise intelligible; and the latter shall continue to be given full force and effect and bind the parties hereto; and the invalid portions, sections, paragraphs, parts, terms, provisions, and/or covenants shall be deemed not to be a part of this Agreement. Neither this Agreement or any uncertainty or ambiguity in this Agreement shall be construed or resolved against the drafter of this Agreement, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by all parties and shall be construed and interpreted according to the ordinary meaning of the words used to fairly accomplish the purposes and intentions of all parties to this Agreement. Franchisor and Franchisee intend that if any provision of this Agreement is susceptible to two or more constructions, one of which would render the provision enforceable and the other or others of which would render the provision unenforceable, the provision shall be given the meaning that renders it enforceable.

12.3 Survival of Obligations after Expiration or Termination of Agreement. Any provision or covenant of this Agreement which expressly or by its nature imposes obligations beyond the expiration or termination of this Agreement shall survive such expiration or termination.

12.4 Survival of Modified Provisions. Franchisee expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions of this Agreement any portion or portions which a court or agency having valid jurisdiction may hold to be unreasonable and unenforceable in an unappealed final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court or agency order.

12.5 Captions. All captions in this Agreement are intended for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision of this Agreement.

12.6. Counterparts. This Agreement may be executed by the parties in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

13. DISPUTES

13.1 Governing Law. This Agreement shall be interpreted and construed exclusively under the laws of the State of Delaware, which laws shall prevail in the event of any conflict of law (without regard to, and without giving effect to, the application of Delaware choice-of-law rules).

13.2 Arbitration.

13.2.1 Disputes Subject to Arbitration. Except as expressly provided to the contrary in this Agreement, any controversy or claim arising out of or relating to this Agreement, its construction including the arbitrability of any dispute, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association (the **"AAA"**) in accordance with its Commercial Arbitration Rules. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction.

13.2.2 Location. The place of arbitration shall be within Passaic County, New Jersey.

13.2.3 Confidentiality. All documents, information, and results pertaining to any arbitration will be confidential, except as required by law.

13.2.4 Performance During Arbitration. The parties will comply with this Agreement and perform their respective obligations under this Agreement during the arbitration process.

13.2.5 Venue. For any matter which is not subject to arbitration, each party hereto consents to personal jurisdiction in the federal or state courts located in Passaic County, New Jersey. Franchisee hereby waives all questions of personal jurisdiction or venue for the purpose

of carrying out this provision. This exclusive choice of jurisdiction and venue provision does not restrict the ability of the parties to confirm or enforce judgments or awards in any appropriate jurisdiction.

13.2.6 No Exclusive Remedies. No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

13.2.7 Exceptions. Notwithstanding anything contained herein, Franchisor reserves the right (a) to seek temporary restraining orders, preliminary injunctions or other interim relief when deemed necessary to preserve the *status quo* or prevent irreparable injury pending resolution by arbitration of the actual dispute; and (b) to initiate a proceeding to collect monies owed hereunder in any court of competent jurisdiction. The parties acknowledge and agree that the rights of Franchisor under this Agreement with respect to the use of the Software is of a specialized and unique nature and that immediate and irreparable damage will result to Franchisor if Franchisee fails or refuses to perform obligations under this Agreement, and, notwithstanding any election by Franchisor to claim damages from Franchisee as a result of such failure or refusal, Franchisor may, in addition to any other remedies and damages available, seek an injunction in any court of competent jurisdiction to restrain such failure or refusal.

13.2.8 Waiver of Jury Trial. Franchisor and Franchisee irrevocably waive trial by jury in any action, proceeding, or counterclaim, whether at law or in equity, brought by either of them against the other, whether or not there are other parties in such action or proceeding.

13.2.9 Limitation of Actions. Any and all claims and actions arising out of or relating to this Agreement or the Software (including any defenses or any claims of set-off or recoupment) must be brought or asserted before the expiration of the earlier of (a) the time period for bringing an action under any applicable state or federal statute of limitations; (b) one year after the date upon which a party discovered, or should have discovered, the facts giving rise to an alleged claim; or (c) two years after the first act or omission giving rise to an alleged claim; or it is expressly acknowledged and agreed by all parties that such claims or actions shall be irrevocably barred. Claims of Franchisor attributable to failure to pay monies owed and/or indemnification shall be subject only to the applicable state or federal statute of limitations.

13.2.10 Costs and Attorneys' Fees. If either Franchisor or Franchisee seeks to enforce this Agreement in an arbitration or a judicial or other proceeding, the prevailing party shall be entitled to recover its reasonable costs and expenses (including attorneys' fees, attorneys' assistants' fees, accountants' fees, expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel, room and board, salaries and benefits of those employees participating in such proceeding) incurred in connection with such judicial or other proceeding.

13.2.11 Class and Representative Actions. Franchisee, its affiliates and their respective equity holders, officers, directors, agents, and/or employees shall not pursue class claims, multi-plaintiff, consolidated or representative actions in any arbitration to which Franchisor, its affiliates or any of their respective equity holders, officers, directors, agents, and/or employees are parties. Notwithstanding the foregoing, if any court determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to

arbitration under this Section, then the parties agree that this arbitration clause shall not apply to that dispute and that such dispute shall be resolved in a judicial proceeding.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first shown above.

KRYSTAL KLEAN FRANCHISOR, LLC.	[INSERT LEGAL NAME]
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

EXHIBIT H

EQUIPMENT SALES AGREEMENT

This Equipment Sales Agreement (the **"Agreement"**) is made on _____ (the **"Effective Date"**) by Krystal Klean Franchisor, LLC, a Delaware limited liability company (**"Seller"**) and by _____, a _____ (**"Purchaser"**). Purchaser is a "Krystal Klean" franchisee pursuant to a Franchise Agreement with Seller (the **"Franchise Agreement"**). Unless defined otherwise in this Agreement, capitalized terms have the meanings given them in the Franchise Agreement. The parties hereto hereby agree as follows:

2. Purchase.

(a) Purchaser hereby purchases, and Seller agrees to sell to Purchaser, the following vehicles and related equipment (collectively, the **"Equipment"**):

Serial Number/VIN	Description	Price

Any vehicles included in the Equipment purchased hereunder shall be referred to herein as **"Vehicles"**.

(b) If Purchaser purchases a proprietary wash box pursuant to subsection (a), Purchaser also purchases wash box installation services (the **"Installation Services"**).

3. Payment. [Franchisee shall pay $_____ for the purchase of the Equipment and/or Installation Services in cash in full upon execution of this Agreement] [OR] [Purchaser shall pay a down payment of $_____ for the purchase of the Equipment and/or Installation Services described in Section 1 upon execution of this Agreement, and the balance will be financed under a Secured Promissory Note.]

4. Delivery; Title.

(a) Seller shall install the proprietary wash box, if applicable, at Seller's premises or other premises as designated by Seller, either itself or by a third party, and have the Equipment ready to be picked up by Purchaser at such location on or before _____ (the **"Delivery Date"**). It is Purchaser's duty, either in person or through a third party, to remove the Equipment from a location designated by Seller during normal business hours. Risk of loss shall pass to Purchaser on the Delivery Date notwithstanding Purchaser's failure to remove the purchased property from the designated location on or prior to Delivery Date.

(b) If financing is provided by Seller for any Vehicle purchased hereunder, Seller will convey title to such Vehicles only when payment is made in full. Seller will execute any documents presented by Purchaser which are necessary to finalize transfer of title and registration upon any Vehicles sold to Purchaser hereunder upon payment in full.

5. Purchaser's Obligation to Inspect; Acceptance and Limited Warranty.

(a) Purchaser must inspect the Equipment and Installation Services, if any, within three business days after the Delivery Date. Purchaser shall be deemed to have accepted the Equipment and the Installation Services on the earlier of the Equipment's date of first use or the fourth business day after the Delivery Date (the **"Acceptance Date"**). After the Acceptance Date, Seller shall have no obligation to refund any amount paid for the Equipment or reduce any amounts financed for the purchase of such Equipment.

(b) For a period of seven days after the Acceptance Date (the **"Warranty Period"**), Seller warrants that (i) the Equipment, including all materials and equipment furnished as part of the Installation Services, shall be new (unless otherwise specified in this Agreement), and (ii) the Equipment and any Installation Services shall be free of defects in materials and workmanship (the **"Limited Warranty"**). EXCEPT FOR THE LIMITED WARRANTY, SELLER EXPRESSLY DISCLAIMS ANY AND ALL REPRESENTATIONS AND WARRANTIES RELATING TO EQUIPMENT OR SERVICE PROVIDED UNDER THIS AGREEMENT, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING ANY WARRANTIES OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

(c) Any claimed non-conformance with the Limited Warranty must be described in writing in detail by Purchaser and delivered to Seller within the Warranty Period to be considered a valid warranty claim hereunder (each, a **"Warranty Claim"**). Seller shall in no case have any liability, under the Limited Warranty or otherwise, for any defect or deterioration which results from the improper operation or maintenance of the Equipment or for any defect or deterioration of which Seller is not properly notified by Purchaser in accordance with this subsection (c) within the Warranty Period.

(d) If Purchaser provides a valid Warranty Claim within the Warranty Period, Purchaser's sole and exclusive remedy for any breach of the warranty shall be repair or replacement, at Seller's option and expense. Seller shall have at least seven days to repair any defect. After the expiration of the Warranty Period, Seller shall have no obligation to repair or replace any Equipment or refund any amounts paid hereunder for such Equipment.

6. Limit on Liability and Indemnification.

(a) IN NO EVENT WILL SELLER BE LIABLE TO PURCHASER, WHETHER IN CONTRACT OR TORT INCLUDING NEGLIGENCE, FOR SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES, NOR ANY OTHER LOSSES OR DAMAGES WHATSOEVER RESULTING FROM THE EQUIPMENT AND/OR INSTALLATION SERVICES OR ANY LOSS OF USE, TIME, PROFITS OR BUSINESS RESULTING FROM SELLER'S PERFORMANCE OR NON-PERFORMANCE UNDER THIS AGREEMENT. FURTHER, THE AMOUNT OF SELLER'S LIABILITY TO PURCHASER SHALL IN NO CASE EXCEED THE AMOUNT OF THE PURCHASE PRICE FOR THE EQUIPMENT AND/OR SERVICES TO WHICH SUCH LIABILITY IS RELATED.

(b) Purchaser shall indemnify Seller against, and hold Seller and its affiliates, and their respective officers, directors, attorneys, agents and contractors, harmless from any and all claims, actions, suits, proceedings, costs, expenses, damages and liabilities, including attorney's fees,

arising out of or connected with or resulting from the Equipment and/or the Installation Services, including without limitation the manufacture, selection, possession, use, condition, design, or operation of the Equipment or any negligence or breach of duty (statutory, contractual or otherwise) of Seller.

(c) This Section 5 shall survive the expiration or termination of the Agreement.

7. Purchaser's Agreements and Acknowledgements. Purchaser affirms that it shall perform all of Purchaser's obligations set forth on the Purchaser's Agreements and Acknowledgements page attached hereto and that the statements set forth thereon are true and correct as of the Effective Date and as of the Delivery Date.

8. Entire Agreement. This Agreement and any other agreement between the parties referenced herein constitutes the entire and complete Agreement between Seller and Purchaser concerning the subject matter thereof and supersedes all prior agreements. No amendment, change, or variation from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

9. Severability and Construction. If any provision of this Agreement is deemed to be void, invalid, or unenforceable, that provision shall be severed from the remainder of this Agreement so as not to cause the invalidity or unenforceability of the remainder of this Agreement. All remaining provisions of this Agreement shall then continue in full force and effect. If any provision shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope and breadth permitted by law.

10. Captions. All captions in this Agreement are intended for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision of this Agreement.

11. Counterparts. This Agreement may be executed by the parties in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

12. Disputes.

(a) This Agreement shall be interpreted and construed exclusively under the laws of the State of Delaware, which laws shall prevail in the event of any conflict of law (without regard to, and without giving effect to, the application of Delaware choice-of-law rules).

(b) Except as expressly provided herein, any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction. Any dispute as to whether this arbitration clause applies or whether any particular claim is subject to arbitration shall be decided by arbitration in accordance with this Section.

(c) Purchaser, its affiliates and their respective equity holders, officers, directors, agents, and/or employees shall not pursue class claims, multi-plaintiff, consolidated or representative actions in any arbitration to which Seller, its affiliates or any of their respective equity holders, officers, directors, agents, and/or employees are parties. Notwithstanding the

foregoing, if any court determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section, then the parties agree that this arbitration clause shall not apply to that dispute and that such dispute shall be resolved in a judicial proceeding.

(d) The place of arbitration shall be the American Arbitration Association office in Passaic County, New Jersey.

(e) All documents, information, and results pertaining to any arbitration will be confidential, except as required by law or as required for Seller to comply with laws and regulations applicable to the sale of franchises.

(f) The parties will comply with this Agreement and perform their respective obligations under this Agreement during the arbitration process.

(g) For any matter which is not subject to the arbitration provisions of this Section 12, each party hereto consents to personal jurisdiction in the federal or state courts located in Passaic County, New Jersey. Purchaser hereby waives all questions of personal jurisdiction or venue for the purpose of carrying out this provision. This exclusive choice of jurisdiction and venue provision does not restrict the ability of the parties to confirm or enforce judgments or awards in any appropriate jurisdiction.

(h) No right or remedy conferred upon or reserved to Seller or Purchaser by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

(i) Notwithstanding anything contained herein, Seller reserves the right to seek temporary restraining orders, preliminary injunctions or other interim relief when deemed necessary to preserve the *status quo* or prevent irreparable injury pending resolution by arbitration of the actual dispute and to make claims relating to unpaid amounts owed by Purchaser to Seller in any court of competent jurisdiction

(j) Seller and Purchaser irrevocably waive trial by jury in any action, proceeding, or counterclaim, whether at law or in equity, brought by either of them against the other, whether or not there are other parties in such action or proceeding.

(k) Except as provided herein, any and all claims and actions arising out of or relating to this Agreement must be brought or asserted before the expiration of the earlier of (i) the time period for bringing an action under any applicable state or federal statute of limitations; (ii) one year after the date upon which a party discovered, or should have discovered, the facts giving rise to an alleged claim; or (iii) two years after the first act or omission giving rise to an alleged claim; or it is expressly acknowledged and agreed by all parties that such claims or actions shall be irrevocably barred. Notwithstanding the foregoing, claims of Seller attributable to failure to pay monies owed and/or indemnification shall be subject only to the applicable state or federal statute of limitations.

(l) If either Seller or Purchaser seeks to enforce this Agreement in an arbitration or a judicial or other proceeding, the prevailing party shall be entitled to recover its reasonable costs

and expenses (including attorneys' fees, attorneys' assistants' fees, accountants' fees, expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel, room and board, salaries and benefits of those employees participating in such proceeding) incurred in connection with such judicial or other proceeding.

13. Acknowledgements. Each party acknowledges that he, she or it has had an adequate opportunity to review this Agreement and consult with attorneys if he, she or it so desires.

Intending to be legally bound, the parties have executed this Agreement as of the Effective Date.

KRYSTAL KLEAN FRANCHISOR, LLC

_____
Lorraine Matarazzo, Chief Administrative Officer

[INSERT LEGAL NAME OF PURCHASER]

_____
By:
Title:

PURCHASER'S AGREEMENTS AND ACKNOWLEGMENTS

[to be executed at signing of the Equipment Sales Agreement]

In connection with the purchase of the Equipment and Installation Services from Krystal Klean Franchisor, LLC (**"Seller"**) by the undersigned party (the **"Purchaser"**) under the Equipment Sales Agreement:

(a) **Compliance with Laws.** Purchaser understands and agrees that it is exclusively responsible for ensuring that the Equipment complies with all applicable laws including, without limitation, any weight and engineering requirements.

_____
Initial

_____
Initial

(b) **Licensing and Registration Requirements; Insurance.** Purchaser acknowledges that, unless prohibited by applicable law, any insurance coverage, license, tags, plates, or registration maintained by Seller for any Vehicles transferred hereunder shall be canceled upon delivery of the Vehicle to Purchaser and that Purchaser shall obtain all necessary and appropriate insurance coverage, license, tags, plates, and registrations.

_____
Initial

_____
Initial

(c) **Purchaser's Obligation to Inspect.** Purchaser agrees to inspect the Equipment and/or Installation Services within **3 business days** after the Delivery Date and that on the fourth business day or first use, whichever is first, the Equipment and/or Installation Services are accepted by Purchaser.

_____
Initial

_____
Initial

(d) Purchaser understands and acknowledges that Seller provides a limited warranty on the Equipment and any Installation Services as described in Section 4 the Equipment Purchase Agreement. Purchaser had read and understands Section 4 of the Equipment Purchase Agreement.

_____
Initial

_____
Initial

(e) Purchaser understands and acknowledges that the period of the limited warranty is **7 days after acceptance of the Equipment and/or Installation Services by Purchaser**.

_____
Initial

_____
Initial

(f) Purchaser understands and acknowledges that any valid warranty claim must be in writing, must describe any non-conformance in detail and must be delivered to Seller within the warranty period to be valid. **This means that Seller provides no warranty or other representation with respect to the Equipment and any Installation Services and shall have no obligations with respect to the repair or replacement of the Equipment and/or Installation Services if a warranty claim is not received 7 days after Purchaser's acceptance of the Equipment and/or the Installation Services.**

_____
Initial

_____
Initial

Capitalized terms used herein that are not otherwise defined are defined in the Equipment Sales Agreement. In the event of any conflict, the Equipment Sales Agreement controls.

[INSERT LEGAL NAME OF PURCHASER]

_____
By:
Title:

PURCHASER'S AGREEMENTS AND ACKNOWLEGMENTS

[to be executed at delivery of the Equipment]

In connection with the purchase of the Equipment and Installation Services from Krystal Klean Franchisor, LLC (**"Seller"**) by the undersigned party (the **"Purchaser"**) under the Equipment Sales Agreement:

(a) **Compliance with Laws.** Purchaser understands and agrees that it is exclusively responsible for ensuring that the Equipment complies with all applicable laws including, without limitation, any weight and engineering requirements.

_____
Initial

_____
Initial

(b) **Licensing and Registration Requirements; Insurance.** Purchaser acknowledges that, unless prohibited by applicable law, any insurance coverage, license, tags, plates, or registration maintained by Seller for any Vehicles transferred hereunder shall be canceled upon delivery of the Vehicle to Purchaser and that Purchaser shall obtain all necessary and appropriate insurance coverage, license, tags, plates, and registrations.

_____
Initial

_____
Initial

(c) **Purchaser's Obligation to Inspect.** Purchaser agrees to inspect the Equipment and/or Installation Services within **3 business days** after the Delivery Date and that on the fourth business day or first use, whichever is first, the Equipment and/or Installation Services are accepted by Purchaser.

_____
Initial

_____
Initial

(d) Purchaser understands and acknowledges that Seller provides a limited warranty on the Equipment and any Installation Services as described in Section 4 the Equipment Purchase Agreement. Purchaser had read and understands Section 4 of the Equipment Purchase Agreement.

_____
Initial

_____
Initial

(e) Purchaser understands and acknowledges that the period of the limited warranty is **7 days after acceptance of the Equipment and/or Installation Services by Purchaser**.

_____
Initial

_____
Initial

(f) Purchaser understands and acknowledges that any valid warranty claim must be in writing, must describe any non-conformance in detail and must be delivered to Seller within the warranty period to be valid. **This means that Seller provides no warranty or other representation with respect to the Equipment and any Installation Services and shall have no obligations with respect to the repair or replacement of the Equipment and/or Installation Services if a warranty claim is not received 7 days after Purchaser's acceptance of the Equipment and/or the Installation Services.**

_____
Initial

_____
Initial

Capitalized terms used herein that are not otherwise defined are defined in the Equipment Sales Agreement. In the event of any conflict, the Equipment Sales Agreement controls.

[INSERT LEGAL NAME OF PURCHASER]

_____
By:
Title:

EXHIBIT I

SECURED PROMISSORY NOTE

$_____ _____

1. Principal and Interest. For value received, the undersigned, _____, a _____ (the **"Company"**), the Company's 100% owners, _____, _____ and _____, individuals residing in _____ (such individuals, individually or together with the Company are referred to here as **"Borrower"**) promises to pay to Krystal Klean Franchisor, LLC (**"Lender"**) the principal amount of $_____ without deduction, abatement or offset in lawful money of the United States of America, on the terms described herein.

2. Franchise Agreement. The Company is a Krystal Klean franchisee under a Franchise Agreement with Lender (as franchisor) dated _____ (the **"Franchise Agreement"**). Unless defined otherwise in this Note, capitalized terms have the meanings given them in the Franchise Agreement.

3. Purpose. Lender hereby agrees to advance the principal amount of $_____ to Company to finance the purchase of _____ (collectively, the **"Assets"**):

4. Interest. Principal due under this Note bear interest at rate equal to ____% per annum on a compounded basis. Interest shall accrue commencing ____. Upon the occurrence of an Event of Default, at the option of Lender and without notice to Borrower, all accrued and unpaid interest shall bear interest thereafter until paid at the maximum rate permitted by law regardless of whether there has been an acceleration of the payment of principal as set forth herein. Entitlement to such interest shall be in addition to any other remedies Lender may have.

5. Payment; Prepayment.

❑ Borrower shall pay the principal and interest due hereunder by making consecutive weekly payments equal to __% of Borrower's total Gross Revenue, as defined under the Franchise Agreement with the first installment being payable on or after ___. Thereafter, _____ payments of principal and interest are due and payable at the same time and in the same manner as Royalty Fees are due and payable under the Franchise Agreement, until the Maturity Date, at which time the entire outstanding principal balance, together with all accrued and unpaid interest, shall be immediately due and payable in full. Notwithstanding anything to the contrary contained herein, in no event shall weekly payments of principal and interest hereunder be less than $_____; or

❑ Borrower shall repay the principal and interest due hereunder by making equal weekly payments of $_____ with the first installment being payable on _____, and subsequent installments being payable on _____ of each succeeding _____ thereafter until the Maturity Date, at which time the entire outstanding principal balance, together with all accrued and unpaid interest, shall be immediately due and payable in full.

"Maturity Date" as used herein is _____.

Borrower may prepay amounts due hereunder at any time, in whole or in part, without penalty. It is agreed that each installment, when paid, shall be credited first toward interest then due and the remainder toward principal, and interest shall thereon cease on the principal then credited. Should the interest not be so paid, it shall, at the sole option of Lender, become a part of the principal and thereafter bear like interest as the principal.

6. Manner of Payment. Borrower shall make payments under this Note to Lender in the same manner as Borrower makes payments to Lender under the Franchise Agreement. The parties hereby confirm that Lender is authorized to withdraw funds for payments under this Note from Borrower's designated bank account by electronic funds transfer as set forth in the Franchise Agreement. Lender may change the manner of required payment at any time with notice to Borrower.

7. Default. This Note and all other obligations, direct or contingent, of Borrower shall become due and payable immediately at the option of Lender, without demand or notice on the happening of any of the following events (each, an **"Event of Default"**):

(a) Borrower fails to subordinate any shareholder/member loan or related party loan and other debt to amounts owed this Note;

(b) Borrower pays any shareholder/member loan or related party loan while there is a balance outstanding under this Note without Lender's prior written consent;

(c) Borrower pledges or otherwise encumbers its assets without Lender's prior written consent;

(d) Borrower transfers any material portion of the collateral listed on Schedule 1 without Lender's prior written consent;

(e) Borrower transfers any interest in the Franchise Agreement, undergoes a change in control, sells a material portion of its assets used in conducting the business operated under the Franchise Agreement, issues equity, or if any owner of Borrower transfers any equity;

(f) Borrower uses the funds for any purpose other than as described in **Section 3**;

(g) Borrower, or its affiliate, defaults under the Franchise Agreement or any other agreement with Lender or any affiliate of Lender, subject to any cure period permitted under the applicable agreement;

(h) Borrower or any of its owners becomes insolvent, makes a general assignment for the benefit of creditors, commences proceedings for dissolution or liquidation or proceedings under any bankruptcy, insolvency, readjustment of debt or liquidation law or statute of the Federal or State governments or is adjudicated as bankrupt or insolvent, or the involuntary appointment of a receiver, or applications therefore;

(i) Borrower or any of its owners fails to make any payment under this Note when due or violates any other provision of this Note not listed above after ten days written notice

has been provided to Borrower by Lender;

(j) Borrower defaults under any other loan or extension of credit with any lender or creditor, including without limitation, Lender, subject to any cure period permitted under the applicable loan or credit agreement;

(k) Borrower violates **Section 11** (Bookkeeper/Accounting Services) or **Section 12** (Limitations on Payments) of this Note;

(l) Borrower fails to make any payment owed to its landlord, employees, utilities providers, any taxing authority or other governmental party, or any other third-party vendor or creditor after10 days written notice has been provided to Borrower; or

(m) Borrower does not participate or enroll in, ceases to participate or enroll in Administrative Support Services (Tier 1) or terminates, attempts to terminate, or is in default of, subject to any cure period permitted, the Support Services Agreement with Lender.

8. Remedies For Default. If an Event of Default occurs, Lender may exercise any one or more of the following remedies: (a) Lender may declare the entire unpaid balance of principal and interest immediately due and payable; (b) principal and interest shall bear interest at the maximum rate permitted by law; (c) Lender may exercise its right as a secured party with respect to the collateral secured hereunder; and (d) Lender may exercise and any all remedies available to a creditor upon default as provided in this Note or at law. These remedies are cumulative and the selection of a single remedy shall not limit Lender's right to exercise any other remedy.

9. Cross-Default. Borrower agrees that a failure to make any payment under this Note when due, or any other violation of this Note by Borrower, constitutes a default under the Franchise Agreement.

10. Grant of Security Interest. To secure the payment of principal and interest due hereunder and the payment and performance of all other obligations of Borrower to Lender under this Note (the **"Secured Obligations"**), Borrower grants to the Lender a first priority security interest in the collateral listed in Schedule 1. Borrower agrees, at Borrower's expense, to take any actions requested by Lender to further the attachment, perfection and first priority of, and the ability of Lender to enforce, Lender's security interest in the collateral.

11. Bookkeeper/Accounting Services. Company shall engage a bookkeeper or accountant specified by Lender from time to time and shall cause such bookkeeper or accountant to prepare and provide financial reporting, as reasonably requested by Lender, regarding its financial condition directly to Lender. Such reports shall cover the time periods, be in the format(s) and contain the information regarding Company's financial condition as specified by Lender. All costs and expenses relating to the services of such bookkeeper or accountant shall be borne by Company.

12. Limitations on Payments. So long as any amount remains unpaid under the Note, unless and until Company's Net Sales Revenue (as defined) equals or exceeds $80,000 per month, Company shall not make Payments (as defined) in the aggregate that are more than

$10,000 per month to Company's Affiliates (as defined) and the Related Partes (as defined). **"Net Sales Revenue"** includes the amounts collected by Company during any given period for services provided to its customers, less sales tax, discounts, bad debt, allowances, rebates, credit notes, returns and refunds. salaries, bonuses, distributions, dividends, and loan/debt payments. **"Payments"** include without limitation, payments of salaries, bonuses, distributions, dividends, and loan payments. **"Affiliate"** means any person or entity controlled by, under common control with or which is controlled by Company. **"Related Party"** means a person that is an immediate family member of Borrower or any of its owners.

13. Entire Agreement. This Note and any other agreement between the parties referenced herein constitutes the entire and complete Agreement between Borrower and Lender concerning the subject matter thereof and supersedes all prior agreements. No amendment, change, or variation from this Note shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

14. Severability and Construction. If any provision of this Note is deemed to be void, invalid, or unenforceable, that provision shall be severed from the remainder of this Note so as not to cause the invalidity or unenforceability of the remainder of this Note. All remaining provisions of this Note shall then continue in full force and effect. If any provision shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope and breadth permitted by law.

15. Captions. All captions in this Note are intended for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision of this Note.

16. Counterparts. This Note may be executed by the parties in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

17. Disputes.

(a) This Note shall be interpreted and construed exclusively under the laws of the State of Delaware, which laws shall prevail in the event of any conflict of law (without regard to, and without giving effect to, the application of Delaware choice-of-law rules).

(b) Except as expressly provided to the contrary in this Note, any controversy or claim arising out of or relating to this Note, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction. Any dispute as to whether this arbitration clause applies or whether any particular claim is subject to arbitration shall be decided by arbitration in accordance with this Section.

(c) Borrower, its affiliates and their respective equity holders, officers, directors, agents, and/or employees shall not pursue class claims, multi-plaintiff, consolidated or representative actions in any arbitration to which Lender, its affiliates or any of their respective equity holders, officers, directors, agents, and/or employees are parties. Notwithstanding the foregoing, if any court determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section, then

the parties agree that this arbitration clause shall not apply to that dispute and that such dispute shall be resolved in a judicial proceeding.

(d) The place of arbitration shall be the AAA office located in Passaic County, New Jersey.

(e) All documents, information, and results pertaining to any arbitration will be confidential, except as required by law or as required for Lender to comply with laws and regulations applicable to the sale of franchises.

(f) The parties will comply with this Note and perform their respective obligations under this Note during the arbitration process.

(g) Notwithstanding anything contained herein, Lender reserves the right to make claims relating to unpaid amounts owed by Borrower to Lender under this Agreement and the Notes issued hereunder in any court of competent jurisdiction. For any matter which is not subject to the arbitration provisions of this Section, each party hereto consents to personal jurisdiction in the federal or state courts located in Passaic County, New Jersey. Borrower hereby waives all questions of personal jurisdiction or venue for the purpose of carrying out this provision. This exclusive choice of jurisdiction and venue provision does not restrict the ability of the parties to confirm or enforce judgments or awards in any appropriate jurisdiction.

(h) No right or remedy conferred upon or reserved to Lender or Borrower by this Note is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

(i) Notwithstanding anything contained herein, these arbitration provisions shall not apply in connection with any action by Lender to collect monies owed.

(j) Lender and Borrower irrevocably waive trial by jury in any action, proceeding, or counterclaim, whether at law or in equity, brought by either of them against the other, whether or not there are other parties in such action or proceeding.

(k) If either Lender or Borrower seeks to enforce this Note in an arbitration or a judicial or other proceeding, the prevailing party shall be entitled to recover its reasonable costs and expenses (including attorneys' fees, attorneys' assistants' fees, accountants' fees, expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel, room and board, salaries and benefits of those employees participating in such proceeding) incurred in connection with such judicial or other proceeding.

18. Acknowledgements. Each party acknowledges that he, she or it has had an adequate opportunity to review this Note and consult with attorneys if he, she or it so desires.

19. Assignment. Lender may assign and transfer this Note to a successor lender at any time in the Lender's discretion. Borrower may be requested to execute any documents required to transfer this loan to another lender, which may include signing all new loan documents with different terms than those herein.

20. Time. Time is of the essence with regard to each and every term, covenant,

provision and condition of this Note.

21. Joint and Several Liability. Borrower's liability under this Secured Note shall be joint and several.

BORROWER

[INSERT BORROWER'S LEGAL NAME - ENTITY]

By: _____
Name: _____
Title: _____

[INSERT BORROWER'S LEGAL NAME - OWNERS]

_____
Name: _____

_____
Name: _____

_____
Name: _____

LENDER

KRYSTAL KLEAN FRANCHISOR, LLC

By: _____
Lorraine Matarazzo, Chief Administrative Officer

SCHEDULE 1

All assets of the franchise(s) operated under the Franchise Agreement (the **"Business"**):

(a) furniture, fixtures, inventory, supplies, vehicles and equipment used in the Business;

(b) all material and transferrable, permits and leases associated with the Business;

(c) all supplies, items, and other inventory, and all accounts, general intangibles, contract rights, leases, chattel paper, franchise agreements, customer accounts, customer lists, customer contracts, accounts receivable, rents, royalties, books and records, machinery, tools, documents and instruments, documents of title and policies and certificates of insurance relating thereto, and all other personal property of Borrower, and all accessions, parts, accessories, attachments and appurtenances thereto, substitutions therefor and replacements thereof, and all proceeds and products of all of the foregoing, including, without limitation, insurance, contract and tort proceeds and claims, and including all inventory, accounts, chattel paper, documents, instruments, equipment, machinery, furniture, tools, fixtures, consumer goods and general intangibles acquired with cash proceeds of any of the foregoing items or types of property; in all cases whether now owned or hereafter acquired by Borrower and wherever located; and

(d) any additions to the above or hereafter acquired assets used in or associated with the assets listed above or Borrower's Business.

EXHIBIT J

SUPPORT SERVICES AGREEMENT

This Support Services Agreement ("**Agreement**") is entered into as of the date last signed below ("**Effective Date**") by and between **Krystal Klean Franchisor, LLC**, a Delaware limited liability company ("**we**" or "**us**") and the Franchisee identified on the signature page below ("**you**" or "**your**"). We and you are parties to a Franchise Agreement ("**Franchise Agreement**") under which you have the right and obligation to operate a business that offers residential, commercial, and industrial pressure washing, window cleaning and other services that we approve from time to time under the KRYSTAL KLEAN mark and other trademarks and services marks designated by us from time to time (the **"Franchise"**). By signing this Agreement, you have elected to receive, and we agree to perform, the services selected by you below ("**Selected Support Services**").

A. <u>Support Service Package Elections</u>. Your Selected Support Services elections are as follows, which are described more fully in Section B:

NO □ YES □ By checking the "Yes" box, I agree to enroll in the Administrative Support Program (Tier 1)	**1. Administrative Support Program (Tier 1) Enrollment** *You will be charged a one-time setup fee of $1,200, followed by a fee of $600 per month for locations with up to $50,000 in monthly Gross Revenue (as defined below). For each additional $25,000 in monthly Gross Revenue, an additional $100 will be added to the fee. The fee includes:* ✓ Payroll Services ✓ Accounts Payable ✓ Accounts Receivable ✓ Financial Reporting *For each additional location operated after the first, the Administrative Support Program fee will equal 50% of the fee of the location with the highest Gross Revenue. We will recalculate the fee due hereunder on a quarterly basis.*
NO □ YES □ By checking the "Yes" box, I agree to enroll in the Administrative Support Program (Tier 2) Sales Tax Advisory Services	**2. Administrative Support Program (Tier 2) – Sales Tax Services Enrollment** *(only available if you enroll in the Administrative Support Program (Tier 1))* *A charge of $65/hour includes:* ✓ Assistance with filing for state tax ID ✓ Assistance with remitting sales tax
NO □ YES □	**3. Administrative Support Program (Tier 2) – Fuel Card Enrollment** *(only available if you enroll in the Administrative Support Program (Tier 1))*

By checking the "Yes" box, I agree to enroll in the Administrative Support Program (Tier 2) Fuel Card Services	*A charge of 5% of your monthly fuel spend includes:* ✓ Use of our fuel credit cards.
NO □ YES □ By checking the "Yes" box, I agree to enroll in the Administrative Support Program (Tier 2) Business Card Services	**4. Administrative Support Program (Tier 2) – Business Card Enrollment** *(only available if you enroll in the Administrative Support Program (Tier 1))* *A charge of 3% of your monthly business card spend includes:* ✓ Use of our business credit cards.
NO □ YES □ By checking the "Yes" box, I agree to enroll in the Administrative Support Program (Tier 2) In-Market Sales Training and Support Services	**5. Administrative Support Program (Tier 2) – In-Market Sales Training and Support Enrollment** *(only available if you enroll in the Administrative Support Program (Tier 1))* *Specialist's travel costs and room and board expenses plus a charge of $225 per day includes:* ✓ In-market Sales Specialist ✓ Marketing training

As used in this Agreement, **"Gross Revenue"** means amounts derived from all products or services sold from or through your Franchise, including any sale of products or services made for cash or credit, or partly for cash and partly for credit plus the proceeds of any business interruption insurance, less refunds. **"Gross Revenue"** also includes the fair market value of any services or products received by you in exchange for your services and products.

B. **Service Descriptions.** Descriptions of support services we provide and specific terms applicable to your Selected Support Services are as follows:

1. Administrative Support Program (Tier 1) Enrollment.

(a) Payroll Services. We will log employee time records into the payroll software, perform payroll journal entry and accrual into QuickBooks online, and perform calculation and submission of manager commissions.

(b) Accounts Payable. We enter invoices and categorized invoices, as appropriate, in QuickBooks, bill auto-pay management and payment arrangements with vendors, and prepare and file Form 1099s.

(c) Accounts Receivable. Invoices are marked paid upon receipt of weekly disbursement report and accounts receivable report is pulled and provided weekly.

(d) Financial Reporting. Generation and review of monthly profit and loss statements and balance sheet; ongoing support and assistance through accounting standardization.

2. Administrative Support Program (Tier 2) Enrollment. All Administrative Support Services (Tier 2) are independent of one another. You will be charged separately for each such service that you select, as detailed in **Section A**. You may only enroll in Administrative Support Program (Tier 2) Services if you are enrolled in Administrative Support Program (Tier 1) Services.

(a) Sales Tax Services. If you enroll for Sales Tax Advisory Services, we will assist with filing for your state tax ID and will assist with remitting your state sales taxes.

(b) Fuel Card Services. If you enroll for Fuel Card Services, we will provide fuel cards to you and any employee that you designate.

(c) Business Card Services. If you enroll for Business Card Services, we will provide business credit cards to you and any employee that you designate.

(d) In-Market Sales Training and Support. If you enroll in In-Market Sales Training and Support, we will assign an in-market Sales Specialist to your location for the amount of time that you designate. The Sales Specialist will provide you with marketing sales training on live sales routes.

C. Additional Terms and Conditions

1. Term. The term shall commence on the Effective Date and expires at the expiration of the Franchise Agreement, unless terminated earlier pursuant to the terms of this Agreement.

2. Termination. This Agreement may be terminated only as follows:

(a) We may terminate this Agreement without cause at any time upon 30 days' prior written notice to you. In addition, we may cancel one or more of the Selected Support Services we provide at any time upon 30 days' prior written notice to you.

(b) You may terminate this Agreement and all services without cause at any time upon 30 days' prior written notice to us provided you have paid the outstanding balance of all amounts owed to us or our affiliates under any financing we (or our affiliate) have provided to you in connection with the Franchise. In addition, you may cancel one or more of the Administrative Support (Tier 2) Program services at any time upon prior 30 days' prior written notice to us.

(c) Either party may terminate this Agreement immediately for the following reasons: (i) a breach of this Agreement by a party and a failure to (a) cure such breach within 30 days after notice by the non-breaching party is given or (b) to take reasonable steps to cure such breach (if the breach is incapable of being cured within such 30-day period), or (ii) the other party is insolvent or files for bankruptcy.

(d) We may terminate this Agreement if you are in breach of the Franchise Agreement or any other agreement between you and us and you have failed to cure such breach within the applicable cure period granted to you under the relevant agreement (if any).

(e) This Agreement shall automatically terminate, without any notice or an opportunity to cure, upon the expiration or termination of the Franchise Agreement.

If this Agreement is terminated or expires, you must immediately pay us all amounts owed.

3. Accounts. While we provide certain optional support services to you under this Agreement, you own all of your customer accounts (except for the subcontracted accounts subject to the Kept Co. Services Agreement) and are solely responsible for managing your relationship with and performing all services for your customer account. You are responsible for keeping your agreed schedule with your customers and notifying your customers before any scheduled services you will miss. In addition, you must comply with all federal, state and local laws and regulations that apply to your Franchise (such as OSHA and employment laws), and maintain all permits, licenses or certificates needed to operate your Franchise.

4. CPI Adjustment. We may increase any fee due hereunder that is not based on a percentage of Gross Revenue or billings on an annual basis by the yearly percentage increase in the United States Department of Labor, Bureau of Labor Statistics, Washington, D.C. — Consumer Price Index for All Urban Customers seasonally adjusted U.S. city average: All items (1982-1984 = 100) as periodically published (the "**CPI**"), or if such CPI shall be discontinued, then any other comparable or similar index as shall be periodically published by the United States Department of Labor or any other Department or Division of the United States Government.

5. Payments. All payments required by this Agreement must be made by the method or methods that we specify from time to time, which may include, without limitation, payment by deduction from customer payments, payment via wire transfer or electronic debit to your bank account. You must furnish us and our bank with all authorizations necessary to effect payment by the methods we specify.

6. Relationship of Parties. This Agreement creates no fiduciary relationship between you and us. You are an independent business owner. We are an independent contractor of yours that provides business services to you pursuant to this Agreement. Nothing in this Agreement appoints either party an agent, legal representative, subsidiary, joint venturer, partner, employee, affiliate or servant of the other party for any purpose. Nothing in this Agreement authorizes either party to make any contract, agreement, warranty or representation on behalf of the other party. Neither party may incur any debt or other obligation in the other party's name unless the right to do so is explicitly stated in this Agreement.

6. Indemnification; Limitation on Liability. You must indemnify us and our affiliates and our respective officers, directors, agents, employees, representatives, successors and

assigns from all actions, judgments, damages, liabilities, claims, losses, costs and expenses (including reasonable legal fees, attorneys' fees and other expenses) to which we become subject arising from or relating in any manner to the services we perform hereunder, including, without limitation, those claims arising from negligence or your or your employees being characterized as our employees under applicable laws; provided, however, you will not be required to indemnify us for any matter caused by our gross negligence or intentional misconduct. IN ANY ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE SERVICES WE PROVIDE HEREUNDER, IN NO EVENT WILL WE BE LIABLE TO YOU FOR AN AMOUNT EXCEEDING THE AMOUNT OF ALL FEES REQUIRED TO BE PAID BY YOU TO US HEREUNDER DURING THE 12-MONTH PERIOD IMMEDIATELY PRIOR TO THE FILING OF ANY CLAIM. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES. Notwithstanding the expiration or sooner termination of this Agreement, this indemnity continues in full force and effect.

7. Dispute Resolution.

(a) Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other applicable federal statute, this Agreement and all claims arising from the relationship between the parties or relating in any way to the validity, interpretation or enforcement of this Agreement, including, but not limited to, the validity and scope of the arbitration provisions under this Section will be governed by the laws of Delaware, without regard to any conflict of laws rules.

(b) The parties agree that any and all disputes arising out of this Agreement, the relationship of the parties or relating in any way to the validity, interpretation or enforcement of this Agreement, including, but not limited to, the validity and scope of the arbitration provisions under this Article shall be resolved exclusively through binding arbitration. The arbitration proceedings will be conducted before a single arbitrator according to the then-current commercial arbitration rules of the American Arbitration Association ("**AAA**").

(c) Unless otherwise agreed to by us, the arbitration shall be conducted in Passaic County, New Jersey. The arbitrator will render a decision based on, and consistent with, California law based on the facts and evidence that are properly introduced during the course of the arbitration. The arbitrator's decision shall be final and enforceable against the parties. Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

(d) Notwithstanding anything contained herein, we may seek temporary restraining orders, preliminary injunctions or other interim relief when deemed necessary to preserve the status quo or prevent irreparable injury pending resolution by arbitration of the actual dispute and to make claims relating to unpaid amounts owed by you to us in any court of competent jurisdiction.

(e) The parties further agree that, in any arbitration proceeding, each must submit or file any claim that would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim of the other party to which it relates. Any claim which is not submitted or filed as required is waived and forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either party, including, without limitation, any that may have been made during a mediation of the parties' dispute.

(f) You, your affiliates and your and their respective owners, officers, directors, agents, and/or employees shall not pursue class claims, multi-plaintiff, consolidated or representative actions in any arbitration to which we, our affiliates or any of our and their respective equity holders, officers, directors, agents, and/or employees are parties. Notwithstanding the foregoing, if any court determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section, then the parties agree that this arbitration clause shall not apply to that dispute and that such dispute shall be resolved in a judicial proceeding.

(g) All documents, information, and results pertaining to any arbitration will be confidential, except as required by law or as required for us to comply with laws and regulations applicable to the sale of franchises.

(h) The parties will perform their respective obligations under this Agreement during the arbitration process.

(i) The arbitrator has the right to award or include in his or her award any relief which he or she deems proper including, but not limited to, money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs, provided that the arbitrator may not award any punitive or exemplary damages against either party (the parties hereby waiving to the fullest extent permitted by law, any right to or claim for any punitive or exemplary damages against the other).

(j) For any matter which is not subject to the arbitration, each party hereto consents to personal jurisdiction in the federal or state courts located in Passaic County, New Jersey. You and your owners hereby waive all claims relating to lack of personal jurisdiction or improper venue for the purpose of carrying out this provision. This exclusive choice of jurisdiction and venue provision does not restrict the ability of the parties to confirm or enforce judgments or awards including, but not limited to, arbitration awards in any appropriate jurisdiction.

(k) Any and all claims and actions arising out of or relating to this Agreement, the relationship of the parties or the services provided hereunder (including any defenses or any claims of set-off or recoupment) must be brought or asserted before the expiration of the earlier of (i) the time period for bringing an action under any applicable state or federal statute of limitations; (ii) one year after the date upon which a party discovered, or should have discovered, the facts giving rise to an alleged claim; or (iii) two years after the first act or omission giving rise to an alleged claim; or it is expressly acknowledged and agreed by all parties that such claims or actions shall be irrevocably barred. Notwithstanding the foregoing, claims of ours attributable to failure to pay monies owed and/or indemnification shall be subject only to the applicable state or federal statute of limitations.

(l) You acknowledge that you have carefully read this Section, that you understand its terms, that all understandings and agreements between you and us relating to the subjects covered in the Section are contained in it, and that you have entered into the Section voluntarily and not in reliance on any promises or representations by us other than those contained in this Section and have been given the opportunity to discuss this Agreement with your private legal counsel.

8. General. You may not assign this Agreement without our prior written consent. We may assign this Agreement or delegate the Selected Support Services provided under this Agreement. No

amendment to this Agreement or waiver of the rights or obligations of either party shall be effective unless in writing signed by the parties. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable. Any notices, consents or other communications pursuant to this Agreement must be in writing and delivered by mail, courier or facsimile (with written confirmation of receipt) to the address of the recipient party shown above (or to such other address provided by such notice). This Agreement contains the entire agreement and understanding of the parties concerning the subject matter of this Agreement. This Agreement may be signed digitally (i.e., by DocuSign) and in counterparts.

Agreed to by:

KRYSTAL KLEAN FRANCHISOR, LLC	[FRANCHISEE ENTITY]
Authorized Signature	Authorized Signature
Name	Name
Title	Title
Date	Date

EXHIBIT K

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EXHIBIT L

STATE SPECIFIC ADDENDA AND RIDERS

ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT FOR
KRYSTAL KLEAN FRANCHISOR, LLC
STATE OF CALIFORNIA

California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department of Financial Protection and Innovation, prior to a solicitation of a proposed material modification of an existing franchise. Before the franchisor can ask you to materially modify your existing franchise agreement, Section 31125 of the California Corporations Code requires the franchisor to file a material modification application with the Department that includes a disclosure document showing the existing terms and the proposed new terms of your franchise agreement. Once the application is registered, the franchisor must provide you with that disclosure document with an explanation that the changes are voluntary.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE14 DAYS PRIOR TO EXECUTION OF AGREEMENT.

OUR WEBSITE, WWW.KRYSTALKLEAN.COM HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND BUSINESS OVERSIGHT AT WWW.DFPI.CA.GOV.

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF CALIFORNIA.

THE REGISTRATION OF THIS FRANCHISE OFFERING BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER.

ALL THE OWNERS OF THE FRANCHISE WILL BE REQUIRED TO EXECUTE PERSONAL GUARANTEES. THIS REQUIREMENT PLACES THE MARITAL ASSETS OF THE SPOUSES DOMICILED IN COMMUNITY PROPERTY STATES – ARIZONA, CALIFORNIA, IDAHO, LOUISIANA, NEVADA, NEW MEXICO, TEXAS, WASHINGTON AND WISCONSIN AT RISK IF YOUR FRANCHISE FAILS.

1. The following paragraph is added to the end of Item 3 of the Disclosure Document:

   Neither franchisor nor any person or franchise broker in Item 2 of this disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in that association or exchange.

3. The following paragraph is added to the end of Item 6 of the Disclosure Document:

   With respect to the Interest described in Item 6, this Item is amended to disclose that the maximum rate of interest permitted under California law is 10%.

4. The following paragraphs are added at the end of Item 17 of the Disclosure Document:

The Franchise Agreement requires franchisee to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

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

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

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

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The Franchise Agreement requires binding arbitration. The arbitration will occur in Passaic County, New Jersey, with the costs being borne equally by Franchisor and Franchisee. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The Franchise Agreement requires application of the laws of Delaware. This provision may not be enforceable under California law.

Section 31512.1 Franchise Agreement Provisions Void as Contrary to Public Policy:

Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

(a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.

(b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.

(c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.

(d) Violations of any provision of this division.

(e) 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 any statement made by any franchisor, franchise seller or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

5. The following paragraph is added at the end of Item 19 of the Disclosure Document:

Any earnings claims figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Krystal Klean business. Franchisees or former franchisees, listed in the offering circular, may be one source of this information.

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT FOR
KRYSTAL KLEAN FRANCHISOR, LLC
STATE OF ILLINOIS

The following is added at the end of Item 17:

The conditions under which your franchise can be terminated and your rights upon non-renewal of a franchise agreement are found in Illinois law, 815 ILCS 705/19 and 20.

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

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

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

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

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 any statement made by any franchisor, franchise seller or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

RIDER TO
KRYSTAL KLEAN FRANCHISOR, LLC
FRANCHISE AGREEMENT
FOR USE IN ILLINOIS

THIS RIDER (the "**Rider**") is effective as of _____ (the "**Agreement Date**"), and amends the Franchise Agreement dated _____, (the "**Agreement**"), between **KRYSTAL KLEAN FRANCHISOR, LLC** ("**Franchisor**") and _____ _____ ("**Franchisee**").

1. **Precedence and Defined Terms**. This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **Termination**. The following is added to Section 14 of the Agreement:

The conditions under which this franchise can be terminated and the parties' rights on termination may be affected by Illinois law, 815 ILCS 705/1-44.

3. The conditions under which your franchise can be terminated and your rights upon non-renewal of a franchise agreement are found in Illinois law, 815 ILCS 705/19 and 20.

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

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

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

6. **Waiver of Jury Trial**. Section 24.5 of the Agreement is deleted in its entirety.

7. **Enforcement**. Add 24.9 of the Agreement to read as follows:

> Any condition, stipulation, or provision contained in the Agreement purporting to waive compliance with any provision of the Illinois Act or any other Illinois law is void.

8. Be advised that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of Illinois is void. No person may be prevented from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of the Illinois Franchise Disclosure Act, nor shall arbitration of any claim pursuant to the provisions of Title 9 of the United States Code be prevented.

9. 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 any statement made by any franchisor, franchise seller or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Intending to be bound, the parties sign and deliver this Rider effective on the Agreement Date, regardless of the actual date of signature.

Franchisor:	**Franchisee:**
	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

RIDER TO
KRYSTAL KLEAN FRANCHISOR, LLC
DEVELOPMENT AGREEMENT
FOR USE IN ILLINOIS

THIS RIDER (the "**Rider**") is effective as of _____, (the "**Agreement Date**"), and amends the Development Agreement dated _____ (the "**Agreement**"), between **KRYSTAL KLEAN FRANCHISOR, LLC** ("**Franchisor**") and _____ _____ ("**you**," "**your**" or the "**Developer**").

1. **Precedence and Defined Terms**. This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. The conditions under which your franchise can be terminated and your rights upon non-renewal of a franchise agreement are found in Illinois law, 815 ILCS 705/19 and 20.

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

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

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

5. 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 any statement made by any franchisor, franchise seller or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise

Intending to be bound, the parties sign and deliver this Rider in two counterparts effective on the Agreement Date, regardless of the actual date of signature.

Franchisor:	**Franchisee:**
	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT FOR
KRYSTAL KLEAN FRANCHISOR, LLC
STATE OF HAWAII

In the State of Hawaii only, this Disclosure Document is amended as follows:

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

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 any statement made by any franchisor, franchise seller or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Registered agent in the state authorized to receive service of process:
Commissioner of Securities of the State of Hawaii
Business Registration Division
Department of Commerce & Consumer Affairs
335 Merchant Street, Room 205
Honolulu, Hawaii 96813

Registration of franchises or filings of offering circulars in other states. As of the date of filing of this Addendum in the State of Hawaii:

1. A franchise registration is effective or an offering circular is on file in the following states: _____

2. A proposed registration or filing is or will be shortly on file in the following states: _____

3. No states have refused, by order or otherwise to register these franchises.

4. No states have revoked or suspended the right to offer these franchises.

5. The proposed registration of these franchises has not been withdrawn in any state.

ADDENDUM
TO KRYSTAL KLEAN FRANCHISOR, LLC
STATE OF MARYLAND

THIS ADDENDUM (the "**Addendum**") amends the Franchise Disclosure Document of **KRYSTAL KLEAN FRANCHISOR, LLC**

Sections (c) and (m) of Item 17 are amended by adding the following language:

> Pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal, sale, and/or assignment or transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Item 17 is amended by adding the following language after the table:

> You may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.
>
> The provision in the franchise agreement which provides for termination upon bankruptcy of the franchisee may not be enforceable under Federal Bankruptcy Law (11 U.S.C. Section 1010 et seq.)
>
> 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 any statement made by any franchisor, franchise seller or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

MARYLAND RIDER TO
KRYSTAL KLEAN FRANCHISOR, LLC
FRANCHISE AGREEMENT

THIS RIDER (the "**Rider**") is effective as of _____ (the "**Agreement Date**"), and amends the Franchise Agreement dated _____, 20_____ (the "**Agreement**"), between **KRYSTAL KLEAN FRANCHISOR, LLC** ("**we**," "**us**," "**our**" or the "**Franchisor**") and _____ ("**you**," "**your**" or the "**Franchisee**").

1. **Precedence and Defined Terms.** This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **General Release.** Pursuant to COMAR 02.02.08.16L, the general release otherwise required by the Agreement as a condition of renewal, sale and/or assignment/transfer does not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. **Limitation of Claims.** Any limitations of claims provisions will not act to reduce the three-year statute of limitations afforded you for bringing a claim arising under Maryland Franchise Registration and Disclosure Law. All claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise to you.

4. **Jurisdiction and Venue.** You may bring a lawsuit against us in Maryland for any claims arising under the Maryland Franchise Registration and Disclosure Law.

5. **No Waiver.** Nothing in this Agreement is intended to nor will it act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law, including, but not limited to, any acknowledgments or representations made by you which disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Franchise Registration and Disclosure Law.

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 any statement made by any franchisor, franchise seller or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

6. **Effective Date.** This Rider is effective on the Agreement Date regardless of the actual date of signature.

Intending to be bound, the parties sign and deliver this Rider effective on the Agreement Date, regardless of the actual date of signature.

Franchisor:	**Franchisee:**
	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

MARYLAND RIDER TO
KRYSTAL KLEAN FRANCHISOR, LLC
DEVELOPMENT AGREEMENT

THIS RIDER (the "**Rider**") is effective as of _____, (the "**Agreement Date**"), and amends the Development Agreement dated _____ (the "**Agreement**"), between **KRYSTAL KLEAN FRANCHISOR, LLC** ("**we**," "**us**," "**our**" or the "**Franchisor**") and _____ ("**you**," "**your**" or the **"Developer"**).

1. **Precedence and Defined Terms.** This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **Limitation of Claims.** Any limitations of claims provisions will not act to reduce the three-year statute of limitations afforded you for bringing a claim arising under Maryland Franchise Registration and Disclosure Law. All claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise to you.

3. **Jurisdiction and Venue.** You may bring a lawsuit against us in Maryland for any claims arising under the Maryland Franchise Registration and Disclosure Law.

4. **No Waiver.** Nothing in this Agreement is intended to nor will it act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law, including, but not limited to, any acknowledgments or representations made by you which disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Franchise Registration and Disclosure Law.

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 any statement made by any franchisor, franchise seller or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

5. **Effective Date.** This Rider is effective on the Agreement Date regardless of the actual date of signature.

Intending to be bound, the parties sign and deliver this Rider effective on the Agreement Date, regardless of the actual date of signature.

Franchisor:	**Franchisee:**
	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT FOR
KRYSTAL KLEAN FRANCHISOR, LLC
STATE OF MINNESOTA

Additional Disclosures:

1. MINNESOTA LAW PROVIDES YOU WITH CERTAIN TERMINATION AND NON-RENEWAL RIGHTS. MINN. STAT. §80C.14 SUBD. 3, 4 AND 5 REQUIRE, EXCEPT IN CERTAIN CASE, THAT YOU BE GIVEN 90 DAYS' NOTICE OF TERMINATION (WITH 60 DAYS TO CURE) AND 180 DAYS' NOTICE FOR NONRENEWAL OF THE FRANCHISE AGREEMENT.

2. MINN. STAT. §80C.21 AND MINN. RULE 2860.4400J PROHIBIT US FROM REQUIRING LITIGATION TO BE CONDUCTED OUTSIDE MINNESOTA. IN ADDITION, NOTHING IN THE DISCLOSURE DOCUMENT OR AGREEMENT CAN ABROGATE OR REDUCE ANY OF YOUR RIGHTS AS PROVIDED FOR IN MINNESOTA STATUTES, CHAPTER 80C, OR YOUR RIGHTS TO ANY PROCEDURE, FORUM, OR REMEDIES PROVIDED FOR BY THE LAWS OF THE JURISDICTION.

3. THE FRANCHISOR IS AT AN EARLY STATE OF DEVELOPMENT AND HAS A LIMITED OPERATING HISTORY. THIS FRANCHISE IS LIKELY TO BE A RISKIER INVESTMENT THAN A FRANCHISE SYSTEM WITH A LONGER OPERATING HISTORY.

4. 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 any statement made by any franchisor, franchise seller or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

5. Item 17 is amended by adding the following:

   You and your owners must execute general releases, in form and substance satisfactory to us, of any and all claims against us, and our affiliates, officers, directors, employees, agents, successors and assigns, except for matters coming under the Minnesota Franchise law.

6. Item 17, summary column for (f) is amended to add the following:

   With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of the Franchise Agreement and that consent to transfer of the franchise will not be unreasonably withheld.

7. Item 17, summary column for (m) is amended to add the following:

   Any release signed as a condition of transfer will not apply to any claims you may have under the Minnesota Franchise Act.

8. Item 17, summary columns for (v) and (w) are amended to add the following:

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in this disclosure document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

MINNESOTA RIDER TO THE
KRYSTAL KLEAN FRANCHISOR, LLC
FRANCHISE AGREEMENT

THIS RIDER (the "**Rider**") is effective as of _____ (the "**Agreement Date**"), and amends the Franchise Agreement dated _____, (the "**Agreement**"), between **KRYSTAL KLEAN FRANCHISOR, LLC** ("**we**," "**us**," "**our**" or the "**Franchisor**") and_____ (_____ ("**you**," "**your**" or the "**Franchisee**").

1. **Background**. You and we are parties to that certain Franchise Agreement dated _____ (the "**Franchise Agreement**") that has been signed concurrently with the signature of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because the _____ Business to be operated by you pursuant to the Franchise Agreement will be located in the State of Minnesota and/or because you are a resident of the State of Minnesota.

2. **Release**. The general release otherwise required by the Agreement as a condition of renewal, sale and/or assignment/transfer does not apply to any liability under the Minnesota Franchise Act.

3. **Trademarks.** We will protect, defend and indemnify you against claims of infringement or unfair competition and any loss, costs or expenses arising out of any claim stemming from your use of the Marks provided such use is in full compliance with the Agreement. You must promptly notify us of any claim asserted or litigation instituted by any person, entity, or governmental agency involving the Marks.

4. **Limitations on Claims.** Any limitations on claims contained in the Agreement must comply with Minnesota Statutes, Section 80C.17.

5. **Default and Termination**. The following is added to Section 13 of the Agreement:

Minnesota Law provides you with certain termination and non-renewal rights. Minn. Stat. §80C.14 Subd. 3, 4 and 5 require, except in certain case, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of the Franchise Agreement.

6. **Governing Law**. The following sentence is added at the end of Section 23.

MINN. STAT. §80C.21 AND MINN. RULE 2860.4400J PROHIBIT US FROM REQUIRING LITIGATION TO BE CONDUCTED OUTSIDE MINNESOTA. IN ADDITION, NOTHING IN THE DISCLOSURE DOCUMENT OR AGREEMENT CAN ABROGATE OR REDUCE ANY OF YOUR RIGHTS AS PROVIDED FOR IN MINNESOTA STATUTES, CHAPTER 80C, OR YOUR RIGHTS TO ANY PROCEDURE, FORUM, OR REMEDIES PROVIDED FOR BY THE LAWS OF THE JURISDICTION.

7. **Waiver of Jury Trial**. Section 23.6 is deleted in its entirety.

8. **Waivers 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 any statement made by any franchisor, franchise seller or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Intending to be bound, the parties sign and deliver this Rider effective on the Agreement Date, regardless of the actual date of signature.

Franchisor:	**Franchisee:**
	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

MINNESOTA RIDER TO
KRYSTAL KLEAN FRANCHISOR, LLC
DEVELOPMENT AGREEMENT

THIS RIDER (the "**Rider**") is effective as of _____ (the "**Agreement Date**"), and amends the Development Agreement dated _____ (the "**Agreement**"), between **KRYSTAL KLEAN FRANCHISOR, LLC** ("**we**," "**us**," "**our**" or the "**Franchisor**") and _____ ("**you**," "**your**" or the **"Developer"**).

1. **Background**. You and we are parties to that certain Development Agreement dated _____ (the **Agreement**") that has been signed concurrently with the signature of this Rider. This Rider is annexed to and forms part of the Development Agreement. This Rider is being signed because the _____ Business to be operated by you pursuant to the Development Agreement will be located in the State of Minnesota and/or because you are a resident of the State of Minnesota.

2. **Limitations on Claims.** Any limitations on claims contained in the Agreement must comply with Minnesota Statutes, Section 80C.17.

3. **Governing Law**. The following sentence is added at the end of Section 14.2.8:

MINN. STAT. §80C.21 AND MINN. RULE 2860.4400J PROHIBIT US FROM REQUIRING LITIGATION TO BE CONDUCTED OUTSIDE MINNESOTA. IN ADDITION, NOTHING IN THE DISCLOSURE DOCUMENT OR AGREEMENT CAN ABROGATE OR REDUCE ANY OF YOUR RIGHTS AS PROVIDED FOR IN MINNESOTA STATUTES, CHAPTER 80C, OR YOUR RIGHTS TO ANY PROCEDURE, FORUM, OR REMEDIES PROVIDED FOR BY THE LAWS OF THE JURISDICTION.

4. **Waiver of Jury Trial**. Section 14.2.10 is deleted in its entirety.

3. **Waivers 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 any statement made by any franchisor, franchise seller or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Intending to be bound, the parties sign and deliver this Rider effective on the Agreement Date, regardless of the actual date of signature.

Franchisor:	**Franchisee:**
	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT FOR
KRYSTAL KLEAN FRANCHISOR, LLC
STATE OF NEW YORK

1. Item 3 is amended by added the following at the beginning of the Item.

Other than those actions listed below, neither the franchisor, its predecessor, a person identified in item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. Has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations or pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

B Has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

C. Is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency, or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

2. Item 4 is amended in entirety to state the following:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular:

A. Filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code;

B. Obtained a discharge of its debts under the bankruptcy code; or

C. Was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership.

3. Item 17(d) of the Franchise Agreement Summary is amended to add the following sentence: The franchisee may terminate the agreement on any grounds available by law.

4. Item 17 (j) of the Franchise Agreement Summary is amended to add the following sentence: "However, no assignment will be made except to an assignee who, in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the franchise agreement."

5. Item 17(w) of the Franchise Agreement Summary is amended to add the following sentence: "The forgoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business law of the state of New York."

6. Item 17(d) of the Development Agreement Summary is amended to add the following sentence: "The area developer may terminate the agreement on any grounds available by law."

7. Item 17 (j) of the Development Agreement Summary is amended to add the following sentence: "However, no assignment will be made except to an assignee who, in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the development agreement."

8. Item 17(w) of the Development Agreement Summary is amended to add the following sentence: "The forgoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business law of the state of New York."

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 any statement made by any franchisor, franchise seller or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

NEW YORK RIDER TO
KRYSTAL KLEAN FRANCHISOR, LLC
FRANCHISE AGREEMENT

THIS RIDER (the "**Rider**") is effective as of _____ (the "**Agreement Date**"), and amends the Franchise Agreement dated _____ (the "**Agreement**"), between **KRYSTAL KLEAN FRANCHISOR, LLC** ("**Franchisor**") and _____ ("**Franchisee**").

1. **Precedence and Defined Terms**. This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **Assignment.** The following sentence is added as the last sentence of Section 12.1. "However, no assignment will be made except to an assignee who, in good faith and judgment of the Franchisor, is willing and financially able to assume the Franchisor's obligations under this Agreement."

3. **Termination by Franchisee.** New Section 13.7 is added to Article 13, which states. "Franchisee may terminate this Agreement on any grounds available by law."

4. **Applicable Law.** The following sentence is added as the last sentence of Section 23.1 "The forgoing choice of law should not be considered a waiver of any right conferred upon Franchisor or Franchisee by Article 33 of the General Business law of the state of New York."

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 any statement made by any franchisor, franchise seller or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Intending to be bound, Franchisor and Franchisee sign and deliver this Rider in two counterparts effective on the Agreement Date, regardless of the actual date of signature.

KRYSTAL KLEAN FRANCHISOR, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

NEW YORK RIDER TO
KRYSTAL KLEAN FRANCHISOR, LLC
DEVELOPMENT AGREEMENT

THIS RIDER (the "**Rider**") is effective as of _____ (the "**Agreement Date**"), and amends the Development Agreement dated _____, 20_____ (the "**Agreement**"), between **KRYSTAL KLEAN FRANCHISOR, LLC** (" "**Franchisor**") and _____ ("**Developer**").

1. **Precedence and Defined Terms**. This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **Termination by Developer** New Section 5.7 is added to Article 5, which states. "5.7 Developer may terminate this Agreement on any grounds available by law."

3. **Transfers.** The following sentence is added at the end of Article 6. "However, no assignment will be made except to an assignee who, in good faith and judgment of the Franchisor, is willing and financially able to assume the Franchisor's obligations under this Agreement."

4. **Applicable Law.** The following sentence is added as the last sentence of Section 14.1 "The forgoing choice of law should not be considered a waiver of any right conferred upon Franchisor or Franchisee by Article 33 of the General Business law of the state of New York."

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 any statement made by any franchisor, franchise seller or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Intending to be bound, Franchisor and Franchisee sign and deliver this Rider in two counterparts effective on the Agreement Date, regardless of the actual date of signature.

KRYSTAL KLEAN FRANCHISOR, LLC	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT FOR
KRYSTAL KLEAN FRANCHISOR, LLC
STATE OF NORTH DAKOTA

Pursuant to North Dakota Century Code Section 51-19-09:

1. Item 17(c) of the Franchise Agreement Summary is modified to remove the requirement that a release be signed as a condition to renewal.

2. Item 17(i) of the Franchise Agreement Summary is modified to remove the requirement to consent to termination or liquidated damages.

3. Item 17(r) of the Franchise Agreement Summary and the Development Agreement Summary is modified to state that every contract by which a franchisee or guarantor, or any other person, is restrained from exercising a lawful profession, trade, or business of any kind is subject to Section 9-08-06 of the North Dakota Century Code.

4. Item 17(u) of the Franchise Agreement Summary and the Development Agreement Summary is modified to provide that the site of arbitration or mediation needs be agreeable to all parties and may not be remote from the franchisee's place of business.

5. Item 17(v) of the Franchise Agreement Summary and the Development Agreement Summary is modified to provide that the venue is North Dakota.

6. Item 17(w) of the Franchise Agreement Summary and the Development Agreement Summary is modified to provide that North Dakota laws apply.

NORTH DAKOTA RIDER TO
KRYSTAL KLEAN FRANCHISOR, LLC
FRANCHISE AGREEMENT

THIS RIDER (the "**Rider**") is effective as of _____ (the "**Agreement Date**") and amends the Franchise Agreement dated _____ (the "**Agreement**"), between **KRYSTAL KLEAN FRANCHISOR, LLC** ("**Franchisor**") and _____ ("**Franchisee**").

1. **Precedence and Defined Terms**. This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **General Release.** Section 2.2.8 of the Agreement is deleted.

3. **Liquidated or Termination Damages.** Sections 13.6 and 14.8 of the Agreement are deleted.

4. **Non-Competition.** Sections 15.2 and 15.3 of the Agreement is amended to add: "Every contract by which a franchisee or guarantor, or any other person, is restrained from exercising a lawful profession, trade, or business of any kind is subject to Section 9-08-06 of the North Dakota Century Code."

5. **Applicable Law.** Section 23.1 of the Agreement, and the Guarantee, Indemnification and Acknowledgement attached to the Agreement, are amended to provide that North Dakota law applies.

6. **Situs for Arbitration or Mediation.** Section 23.2.3 of the Agreement, and the Guarantee, Indemnification and Acknowledgement attached to the Agreement, are amended to delete any requirement that arbitration or mediation take place at a location that is not agreeable to all parties or remote from Franchisee's place of business.

7. **Venue.** Section 23.3 of the Agreement, and the Guarantee, Indemnification and Acknowledgement attached to the Agreement, are amended to delete any requirement that Franchisee or any guarantor consent to venue in courts outside of North Dakota.

8. **Waiver to Trial By Jury.** Section 23.6 of the Agreement, and the Guarantee, Indemnification and Acknowledgement attached to the Agreement, are amended to delete any waiver of jury trial by Franchisee and any guarantor.

9. **Limitation on Claims.** Section 23.7 of the Agreement, and the Guarantee, Indemnification and Acknowledgement attached to the Agreement, are amended to state that the statute of limitations under North Dakota law applies.

10. **Waiver of Exemplary or Punitive Damages.** Section 23.8 of the Agreement, and the Guarantee, Indemnification and Acknowledgement attached to the Agreement, are amended to delete the waiver of punitive and exemplary damages by Franchisee and any guarantor.

Intending to be bound, the parties sign and deliver this Rider effective on the Agreement Date, regardless of the actual date of signature.

Franchisor:	**Franchisee:**
	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

NORTH DAKOTA RIDER TO
KRYSTAL KLEAN FRANCHISOR, LLC
DEVELOPMENT AGREEMENT

THIS RIDER (the "**Rider**") is effective as of _____ (the "**Agreement Date**") and amends the Development Agreement dated _____ (the "**Agreement**"), between **KRYSTAL KLEAN FRANCHISOR, LLC** ("**Franchisor**") and _____ ("**Developer**").

1. **Precedence and Defined Terms**. This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **Non-Competition.** Sections 7.1 and 7.2 of the Agreement is amended to add: "Every contract by which a Developer or guarantor, or any other person, is restrained from exercising a lawful profession, trade, or business of any kind is subject to Section 9-08-06 of the North Dakota Century Code."

3. **Applicable Law.** Section 14.1.2 of the Agreement, and the Guarantee, Indemnification and Acknowledgement attached to the Agreement, are amended to provide that North Dakota law applies.

4. **Situs for Arbitration or Mediation.** Section 14.2 of the Agreement, and the Guarantee, Indemnification and Acknowledgement attached to the Agreement, are amended to delete any requirement that arbitration or mediation take place at a location that is not agreeable to all parties or remote from Developer's place of business.

5. **Venue.** Section 14.3 of the Agreement, and the Guarantee, Indemnification and Acknowledgement attached to the Agreement, are amended to delete any requirement that Developer or any guarantor consent to venue in courts outside of North Dakota.

6. **Limitation on Claims.** Section 14.6 of the Agreement, and the Guarantee, Indemnification and Acknowledgement attached to the Agreement, are amended to state that the statute of limitations under North Dakota law applies.

7. **Waiver of Exemplary or Punitive Damages.** Section 14.8 of the Agreement, and the Guarantee, Indemnification and Acknowledgement attached to the Agreement, are amended to delete the waiver of punitive and exemplary damages by Developer and any guarantor.

Intending to be bound, the parties sign and deliver this Rider effective on the Agreement Date, regardless of the actual date of signature.

Franchisor:	**Franchisee:**
	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT FOR
KRYSTAL KLEAN FRANCHISOR, LLC
STATE OF VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act (the "**Act**"), the Krystal Klean Franchisor, LLC Franchise Disclosure Document for use in the Commonwealth of Virginia is amended as follows:

Pursuant to Section 13.1-564 of the Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Act or the Laws of Virginia, that provision may not be enforceable.

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 any statement made by any franchisor, franchise seller or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

EXHIBIT M-1

FRANCHISED KRYSTAL KLEAN BUSINESSES

Part A. Krystal Klean Franchises as of December 31, 2024

Krystal Jax Companies, LLC

Contact: Nick Thomas and Saul David McAlister
13755 Atlantic Blvd, Unit B, Jacksonville,
FL 32225, United States

Part B. New Krystal Klean Franchises from January 1, 2025 to Issuance Date

None

EXHIBIT M-2

FRANCHISES THAT LEFT THE SYSTEM FROM JANUARY 1, 2024 TO DECEMBER 31, 2024

Part A. Franchises that were terminated, were reacquired or otherwise ceased operating from January 1, 2024 to December 31, 2024

None

Part B. Franchises that transferred their franchises from January 1, 2024 to December 31, 2024

None

EXHIBIT N

FINANCIAL STATEMENTS

KRYSTAL KLEAN FRANCHISOR, LLC
Financial Statements
For the Period from June 21, 2024 (Inception) to December 31, 2024
With Independent Auditor's Report

withum
ADVISORY TAX AUDIT

Krystal Klean Franchisor, LLC
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December 31, 2024

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withum
ADVISORY TAX AUDIT

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Krystal Klean Franchisor, LLC:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Krystal Klean Franchisor, LLC (the "Company"), which comprise the balance sheet as of December 31, 2024, and the related statements of income, changes in member's equity and cash flows for the period from June 21, 2024 (inception) to December 31, 2024, 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, 2024 and for the period from June 21, 2024 (inception) to December 31, 2024, and the results of its operations and its cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's 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 audit. 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 available to be issued.

Auditor's 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 auditor's 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 audit.

Withum Smith + Brown, PC

April 26, 2025

Krystal Klean Franchisor, LLC
Balance Sheet
December 31, 2024

Assets

Current assets	
Cash	$ 161,270
Accounts receivable	33,097
Due from related party - Parent	205,872
Inventory	55,397
Current portion of notes receivable	107,548
Prepaid expenses and other current assets	7,464
Total current assets	570,648
Property and equipment - net	142,031
Right of use assets - operating	689,773
Notes receivable - net of current portion	1,457,186
Other noncurrent assets	10,308
Total assets	$ 2,869,946

Liabilities and Member's Equity

Current liabilities	
Accounts payable	$ 357
Current portion of lease liabilities - operating	209,400
Contract liabilities - current portion of deferred revenue	500
Accrued liabilities	33,719
Total current liabilities	243,976
Related party payable - Parent	1,475,218
Lease liabilities - operating - net of current portion	484,489
Contract liabilities - deferred revenue - net of current portion	4,000
Total liabilities	2,207,683
Member's equity	662,263
Total liabilities and member's equity	$ 2,869,946

The Notes to Financial Statements are an integral part of this statement.

Krystal Klean Franchisor, LLC
Statement of Income
Period from June 21, 2024 (Inception) to December 31, 2024

Revenues	
Royalty fees	$ 34,391
Advertising fund fees	17,589
Truck and equipment sales	667,990
Initial franchise fees	5,500
Corporate service revenue	618,324
Other	3,200
	1,346,994
Cost of revenues	1,068,428
Gross profit	278,566
Sale of system income	825,000
Income before operating expenses	1,103,566
Operating expenses	541,303
Net income	$ 562,263

The Notes to Financial Statements are an integral part of this statement.

Krystal Klean Franchisor, LLC
Statement of Member's Equity
Period From June 21, 2024 (Inception) to December 31, 2024

Member's equity at June 21, 2024	$ -
Contribution	100,000
Net income	562,263
Member's equity at December 31, 2024	$ 662,263

The Notes to Financial Statements are an integral part of this statement.

Krystal Klean Franchisor, LLC
Statement of Cash Flows
Period from June 21, 2024 (Inception) to December 31, 2024

Operating activities	
Net income	$ 562,263
Adjustments to reconcile net income to net cash provided by operating activities	
Depreciation	23,033
Amortization - right-of-use operating assets	61,799
Change in operating assets and liabilities	
Accounts receivable - trade and related party - Parent	(335,930)
Inventory	702,789
Prepaid expenses and other current assets	251,651
Noncurrent assets	(10,308)
Accounts payable	87,593
Accrued liabilities	33,719
Deferred revenue	(5,500)
Lease liability - operating	(57,683)
Net cash provided by operating activities	1,313,426
Investing activities	
Purchase of property and equipment	(136,662)
Issuance of notes receivable	(1,554,734)
Net cash used in investing activities	(1,691,396)
Financing activities	
Advance from related party - Parent	439,240
Contributions	100,000
Net cash provided by financing activities	539,240
Net change in cash	161,270
Cash	
Beginning of period	-
End of year	$ 161,270

The Notes to Financial Statements are an integral part of this statement.

1. NATURE OF BUSINESS

Krystal Klean Franchisor, LLC (the "Company") is a wholly owned subsidiary of Kept Companies, Inc. (the "Parent") and provides franchise sales and support and other services related to franchise operations under the Krystal Klean brand. The Company also provides selling services on behalf of franchisees to secure both local clients and national accounts. The Company provides services to franchisees and prospective franchisees. The Company was formed on June 21, 2024, and serves to forward the mission of providing the highest quality services to a national audience by partnering with franchisees by giving them the necessary tools for success.

2. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies followed in the preparation of the accompanying financial statements are summarized below.

Basis of Presentation
The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Use of Estimates
The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant items subject to such estimates and assumptions include the allowance for credit losses from accounts receivable, the allowance for credit losses from notes receivable and depreciation expense. Actual results could differ from those estimates.

Cash
Cash includes all cash in banks. The Company considers short-term highly liquid investments to be cash equivalents provided that they are both readily convertible to cash and have an original maturity of three months or less when purchased. The Company did not have cash equivalents as of December 31, 2024.

Accounts Receivable and Credit Policies
Accounts receivable consist of amounts due from customers. An allowance for credit losses is established based on a specific assessment of all invoices that remain unpaid following normal customer payment periods. Management has determined that an allowance for credit losses is not necessary as of December 31, 2024, due to a lack of historical data, a lack of issues with collectability in the first months of operation and in consideration of relationships.

Concentration of Credit Risk
The Company has cash balances at U.S. financial institutions, which throughout the year may exceed the federal insured limit of $250,000. Any loss incurred or a lack of access to such funds could have a significant adverse impact on the Company's financial condition, results of operations and cash flows.

Inventory
Inventory consists of vehicle equipment, parts and materials held for sale at December 31, 2024, and is valued at the lower of cost or net realizable value, with cost determined on the first-in, first-out ("FIFO") method. All vehicle equipment is expected to be sold to franchisees during 2025.

Notes Receivable

During the normal course of business, the Company may provide financing to franchisees in the form of notes. Notes receivable are reported at original issue, less principal repaid. Interest is recognized according to terms of the specific notes. Repayment terms can be either variable or fixed, with the variable payment terms requiring a percentage of the franchisee's weekly gross sales to be repaid against the note. An allowance for loan losses from notes receivable is determined based on a specific assessment of all notes that are delinquent or determined to be doubtful to be collected. Notes are considered delinquent if the repayment terms are not met. All amounts deemed to be uncollectible are charged against the allowance for loan losses in the period that determination is made.

At December 31, 2024, notes receivable represent two collateralized loans bearing interest at 6 percent. Collateral for the notes is typically defined as the vehicles, franchise business and equipment being financed within the respective commercial financing agreement. The Company has determined that an allowance for credit losses from notes receivable is not necessary as of December 31, 2024.

At December 31, 2024, one franchisee accounted for a total of 100% of the outstanding notes receivable balance.

Property and Equipment

Property and equipment are recorded at cost. The straight-line method is used for computing depreciation. Assets are depreciated over their estimated useful lives, which range from three to seven years except for leasehold improvements, which are depreciated over the lesser of their estimated useful life or the remaining term of the related lease.

Revenue Recognition

The Company's revenue mainly consists of initial franchise fees, royalties, advertising fund fees, truck and equipment sales and corporate service revenue. The Company sells individual franchisees the right to operate a system within a defined territory using the franchise name. The initial term of the franchise agreement is 10 years, with an option to renew or transfer the franchise agreement to a new or existing franchisee. All truck and equipment sales and commercial vehicle cleaning services are governed by contracts that are separate from the franchise agreement.

The Company has obligations to provide the franchisees with the franchise rights to operate a system, initial management training and advertising for which fees are charged. The Company has concluded that management training is a separate performance obligation due to the nature of this service being nonbrand specific and capable of being used by the franchisee in other businesses. The remaining items represent a single performance obligation. Therefore, initial franchise fees for each agreement are allocated to the management training and franchise right for each individual franchise. The management training revenue is recognized over time as the obligation is being satisfied, which is typically completed within five days. The franchise right revenue is recognized over the term of the respective franchise agreement beginning on the date the franchise is opened. Income for royalties and advertising fund fees is recognized over the term of the respective franchise agreement as the underlying services are provided. Income from truck and equipment sales is recognized at the point in time the goods are transferred to the franchisee. Income from commercial vehicle cleaning services is recognized at the point in time the services are performed for the customer.

Payment Terms
Initial franchise fees are due and typically paid when a franchise agreement is entered into. Truck and equipment fees are due upon execution of an equipment sales agreement. In some instances, all or a portion of the franchise fees and truck and equipment fees are financed by way of commercial financing agreements between the Company and the franchisee. The outstanding balance of these commercial financing agreements is included in the accompanying balance sheets as notes receivable. Royalties and advertising fees are paid on a weekly basis based upon a percentage of franchisee gross sales. Fees for commercial vehicle cleaning services are due 30 days from billing, which typically occurs the same day services are provided. Initial franchise fees are typically collected prior to the satisfaction of the Company's performance obligation, resulting in the Company recognizing deferred revenue contract liabilities. Amounts that are expected to be recognized as revenue within one year are classified as current portion of deferred revenue in the accompanying balance sheet.

Allocating the Transaction Price
The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for providing franchisees with the franchise rights to operate a system. To determine the transaction price, the Company uses the terms of the underlying agreement. For the purpose of determining the transaction prices, the Company assumes performance obligations will be satisfied as promised in accordance with franchise agreements and that agreements will not be canceled, renewed or modified.

The Company's franchise agreements with franchisees have transaction prices that contain fixed and variable components. Variable consideration includes revenue related to royalties and advertising fund fees, as the transaction price is based on the franchisee's sales. The variable consideration is recognized based on the actual amounts incurred each week.

The Company allocates consideration to the management training program based on the observable stand-alone selling price of the training, which approximates the fair value of the service using the cost plus margin approach. The remaining consideration is allocated to the franchise right.

Costs to Obtain a Franchise Agreement
The Company frequently incurs broker commission expenses paid to third parties to obtain franchise agreements with franchisees. The commissions are related to initial franchise fee revenue, which is recognized over time. As a result, the commissions are capitalized as deferred broker fees and are expensed over the term of the respective franchise agreement. In the period from June 21, 2024 (inception) to December 31, 2024, there was no expense related to costs to obtain a franchise agreement.

Sale of a System Income
The Company recognizes system sale income when an already developed Krystal Klean business is sold to a franchisee. The Company facilitates the transaction and enters into a franchise agreement with the franchisee. Income is recognized by the Company upon execution of a franchise agreement in which a business is being transferred to the franchisee purchaser. These sales are generally financed by way of a commercial finance agreement between the Company and the franchisee and the Company recognizes income from system sales within other income (expense) in the accompanying statement of income.

Advertising Fund
In accordance with the franchise agreement, franchisees pay a percentage of weekly sales to the Company's advertising fund to be used for advertising, marketing and other promotional purposes. The Company's advertising fund fees are accounted for on a gross basis in the accompanying statement of income as net revenue.

Advertising expense is expensed as incurred. Advertising expense for the period from June 21, 2024 (inception) to December 31, 2024 was $42,183. As of December 31, 2024, the Company had overspent advertising funds by $24,594.

Impairment of Long-Lived Assets
The Company accounts for impairment of long-lived assets in accordance with professional standards which require that, if facts and circumstances indicate that the cost of fixed assets or other assets may be impaired, an evaluation of recoverability would be performed by comparing the estimated future undiscounted cash flows associated with the assets to the asset's carrying value to determine if a write-down to market value or discounted cash flow value would be required. Management believes that there has been no impairment of its long-lived assets for the period from June 21, 2024 (inception) to December 31, 2024.

Leases
The Company categorizes leases with contractual terms longer than twelve months as either operating or finance. Finance leases are generally those leases that allow the Company to substantially utilize or pay for the entire asset over its estimated life. All other leases are categorized as operating leases. Leases with contractual terms of twelve months or less are not recorded on the balance sheet. The Company had no finance leases during the period from June 21, 2024 (inception) to December 31, 2024.

Certain lease contracts include obligations to pay for other services, such as operations, property taxes and maintenance. The services are accounted for separately and the Company allocates payments to the lease and other services components based on estimated stand-alone prices.

Lease liabilities are recognized at the present value of the fixed lease payments, using a discount rate based on the applicable risk-free rate. Right-of-use ("ROU") assets are recognized based on the initial present value of the fixed lease payments, plus any direct costs from executing the leases. Lease assets are tested for impairment in the same manner as long-lived assets used in operations.

Options to extend lease terms, terminate leases before the contractual expiration date or purchase the leased assets, are evaluated for their likelihood of exercise. If it is reasonably certain that the option will be exercised, the option is considered in determining the classification and measurement of the lease.

Costs associated with the operating lease assets are recognized on a straight-line basis within operating expenses over the term of the lease.

Income Taxes
The Company has elected to be taxed as a limited liability corporation ("LLC"), under the applicable provisions of the Internal Revenue Code and state laws, which requires it to report its net income (or loss) on the tax returns of its member.

Furthermore, as a single-member LLC, the Company has elected to be treated as a disregarded entity from a federal income tax perspective. Additionally, as the single-member (Parent) is a C corporation, the earnings and losses of the Company will be reported on the Parent's standalone federal corporate income tax return.

3. INVENTORY

Inventory consists of the following at December 31, 2024:

Inventory - vehicle and other equipment held for sale to franchisees	$ 46,118
Parts and materials	9,279
	$ 55,397

4. PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows at December 31, 2024:

	Estimated Life (Years)	
Furniture, fixtures, and equipment	3-7	$ 67,178
Computer equipment and software	3-5	26,351
Leasehold improvements	3-5	71,535
Total cost		165,064
Accumulated depreciation and amortization		23,033
Property and equipment - net		$ 142,031

Depreciation expense for the period from June 21, 2024 (inception) to December 31, 2024 was $23,033.

5. LEASES

The Company is obligated under operating leases primarily for office buildings, expiring at various dates through November 2029. In determining the lease term, the Company included auto renewal clauses for any leases where that renewal extended beyond one year. The leases require the Company to pay taxes, insurance, utilities and maintenance costs.

Because the rates implicit in the leases are generally not available, the Company utilizes the risk-free rate over the term of the lease as the discount rate.

The following is a maturity analysis of the annual undiscounted cash flows of the operating lease liabilities as of December 31, 2024:

2025	$ 235,338
2026	243,852
2027	180,987
2028	43,814
2029	41,272
	745,263
Less: Imputed interest - operating leases	51,374
Lease liability - operating at December 31, 2024	693,889
Less: Current portion of lease liabilities - operating	209,400
Lease liabilities - operating, net of current portion	$ 484,489

Total lease expense was $91,442 for the period from June 21, 2024 (inception) to December 31, 2024.

Total lease expense for operating leases includes $21,054 related to leases classified as short-term leases during the period June 21, 2024 (inception) to December 31, 2024.

Other information regarding the Company's outstanding leases for the period from June 21, 2024 (inception) to December 31, 2024:

Cash paid for amounts included in the measurement of lease liabilities Operating cash flows from operating leases	$ 66,272
Right-of-use assets obtained in exchange for new operating lease liabilities	751,572
Weighted-average remaining lease term - operating leases	3.30
Weighted-average discount rate - operating leases	4.48%

6. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Non-cash transactions during the period from June 21, 2024 (inception) to December 31, 2024 were as follows:

Issuance of notes receivable for deferred revenue	$ 10,000
Adjustment of accounts receivable for payment through related party payable	$ (96,961)
Assets transferred from related party payable to inventory	$ 758,186
Assets transferred from related party payable - to prepaid expenses and other current assets	$ 259,115
Assets transferred from related party payable - to property and equipment	$ 28,402

7. RELATED PARTY TRANSACTIONS

As of December 31, 2024, the Company has an outstanding payable due to FW Fleet Clean, LLC, a Sister company, in the amount of $1,475,218. This consists of payments made for expenses on behalf of the Company during their start-up phase and also the transfer of equipment and inventory to be sold as part of the sale of a system. There is no formal agreement or payment terms for the outstanding obligation.

At December 31, 2024, the Company had a receivable due from the Parent totaling $205,872, for subwork performed by the Company.

8. LITIGATION

The Company is subject to pending or threatened claims and actions from customers or customers of franchisees that arise in the normal course of operations. Management believes the outcome of any such actions will not have a material adverse effect on its financial position, results of operations and cash flows.

9. SUBSEQUENT EVENTS

The Company is required to disclose the date through which it evaluated subsequent events, which is April 26, 2025, the date for which the financial statements were available to be issued. Based on this evaluation, the Company has determined that the following subsequent event has occurred that requires disclosure within the financial statements.

During February 2025, the Company terminated a lease which had a right-of-use asset and operating lease liability balance of $387,496 and $388,955, respectively, as of December 31, 2024.

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

Balance Sheet
Krystal Klean Franchisor LLC
As of April 30, 2025

Distribution account	Total
Assets	
Current Assets	
Bank Accounts	
101 JP Morgan Chase	43,778.60
Total for Bank Accounts	**$43,778.60**
Accounts Receivable	
111 Accounts Receivable (A/R)	268,804.17
Total for Accounts Receivable	**$268,804.17**
Other Current Assets	
112 Note Receivable	107,547.79
113 Undeposited Customer Funds	12,918.98
118 Accrued Revenue	
130 Inventory assets	0.00
130.1 Acquisitions/Plant & Sells	44,633.11
130.2 Inventory For Sale	
130.3 Construction In Progress Inventory	40,799.91
130.4 Corp Ops Chemical Inventory	
130.6 Trucks For Sale	106,738.03
Total for 130 Inventory assets	**$192,171.05**
141 Prepaid Expenses	94,130.94
142 Franchisee Prepayment Due KK	13,827.57
142.2 Ramp Tier 2 Service	2,271.40
Total for 142 Franchisee Prepayment Due KK	**$16,098.97**
Total for Other Current Assets	**$422,867.73**
Total for Current Assets	**$735,450.50**
Fixed Assets	
115 Leasehold Improvements	74,523.87
116 Leasehold Accum Depreciation	-20,037.00
161 Furniture and Equipment	69,133.17
162 Furn&Equip- Accum Deprec	-11,261.64
176 IT Infrastructure	30,620.90

177 IT Infrastructure- Accum Deprec	-7,556.93
Total for Fixed Assets	**$135,422.37**
Other Assets	
114 Note Receivable (long term)	1,356,480.03
133 Security Deposits (rent&bid)	10,307.67
178 Right of Use Asset	646,685.37
Total for Other Assets	**$2,013,473.07**
Total for Assets	**$2,884,345.94**
Liabilities and Equity	
Liabilities	
Current Liabilities	
Accounts Payable	
211 Accounts Payable	35,000.92
Total for Accounts Payable	**$35,000.92**
Credit Cards	
219 KK Ramp	12,384.47
Total for Credit Cards	**$12,384.47**
Other Current Liabilities	
214 Accrued Wages	48,010.25
215 Accrued Expenses	1,485.00
216 Due to Franchisees	29,234.08
217 FW Billing Control Acct	
218 KK Billing Control Acct	
223 Right of Use Liabilities ST	212,994.79
228 Sales Tax Payable (Scheduler)	0.00
228.1 FL Sales Tax Payable	290.93
Total for 228 Sales Tax Payable (Scheduler)	**$290.93**
229 Deferred Franchise Fee Revenue Short-Term	500.00
Total for Other Current Liabilities	**$292,515.05**
Total for Current Liabilities	**$339,900.44**
Long-term Liabilities	
210 Due To Fleet Clean	1,630,002.53
210.2 Entity Mispayment Transfer	-34,141.20
Total for 210 Due To Fleet Clean	**$1,595,861.33**
257 Right of Use Liabilities LT	439,632.71
259 Deferred Franchise Fee Revenue Long-Term	4,000.00
Total for Long-term Liabilities	**$2,039,494.04**
Total for Liabilities	**$2,379,394.48**
Equity	
Retained Earnings	562,263.76

Net Income	-157,312.30
284 Opening balance equity	100,000.00
Total for Equity	**$504,951.46**
Total for Liabilities and Equity	**$2,884,345.94**

Accrual Basis Thursday, July 10, 2025 12:19 PM GMTZ

Krystal Klean Franchisor LLC
Profit and Loss
January - April, 2025

	Jan 2025	Feb 2025	Mar 2025	Apr 2025	Total
Income					
313 Corporate Service Billings (KK)	137,815.98	119,228.25	108,522.87	136,323.76	501,890.86
316 Merchandise Sales		4,272.81	4,378.48	5,062.89	13,714.18
318 Royalties	14,203.88	19,573.35	11,285.81	12,794.11	57,857.15
319 Marketing Fees	7,229.55	10,362.35	5,974.88	6,773.33	30,340.11
321 Truck, Body and/or Equipment Revenue				71,088.66	71,088.66
Total Income	**$ 159,249.41**	**$ 153,436.76**	**$ 130,162.04**	**$ 232,042.75**	**$ 674,890.96**
Cost of Goods Sold					
406 Body & Equipment Trucks				60,450.43	60,450.43
410 Operational Supplies	3,750.27	7,768.92	6,432.17	10,577.67	28,529.03
413 Chemicals	6,270.41	4,578.40	1,722.34	5,837.80	18,408.95
416 Purchases for Resale		1,529.06	3,239.97	10,442.69	15,211.72
424 Direct Labor	66,720.43	59,371.71	51,638.27	56,399.98	234,130.39
427 PRTax-DirLab	18,607.15	16,518.92	14,748.84	16,607.78	66,482.69
726 Fuel Expense		-5,009.07		3,884.42	-1,124.65
Total Cost of Goods Sold	**$ 95,348.26**	**$ 84,757.94**	**$ 77,781.59**	**$ 164,200.77**	**$ 422,088.56**
Gross Profit	**$ 63,901.15**	**$ 68,678.82**	**$ 52,380.45**	**$ 67,841.98**	**$ 252,802.40**
Expenses					
701 Payroll-Office/Shop	19,131.22	20,473.27	25,900.15	34,834.59	100,339.23
703 Payment Processing Fees	374.64	1,086.53			1,461.17
703.1 Credit Card Processing Fees	3,016.29	1,868.50	2,740.33	3,188.11	10,813.23
703.2 QuickBooks Payments Fees	99.00	99.00		325.03	523.03
703.3 Shopify Merchant Fee	399.00	399.00	399.00	399.00	1,596.00
Total 703 Payment Processing Fees	**$ 3,888.93**	**$ 3,453.03**	**$ 3,139.33**	**$ 3,912.14**	**$ 14,393.43**
707 Marketing	16,153.58	13,547.37	19,524.17	18,456.45	67,681.57
707.7 Marketing Franchise Development				7,500.00	7,500.00
Total 707 Marketing	**$ 16,153.58**	**$ 13,547.37**	**$ 19,524.17**	**$ 25,956.45**	**$ 75,181.57**
709 Bad Debts	0.22				0.22
724 Equipment Rental			324.33	3,601.98	3,926.31
732 Medical Insurance Premiums	-485.00	-1,516.00	-1,093.00	-952.00	-4,046.00
736 Licensing	2,416.80		148.16	299.38	2,864.34
737 Bank Fees & Misc	-238.57				-238.57
742 PRTax-Other	8,925.35	7,160.65	7,971.72	12,982.25	37,039.97
743 Postage	341.74	1,044.88	257.78	260.25	1,904.65
745 Professional Fees (Acct,PR,Leg)	12,843.25	6,021.00	11,610.00	5,214.00	35,688.25
747 Rent Expense	22,913.47	29,430.33	7,000.58	16,644.29	75,988.67
748 Damages/Accidents	866.76	439.00	19.48	73.57	1,398.81

749 Repairs & Maintenance	1,726.79	3,207.56	1,640.51	3,502.23	10,077.09
750 Admin Salaries	0.00		15,503.01		15,503.01
751 Office Expenses & Stationary	3,809.85	16,339.58	-12,483.13	2,283.64	9,949.94
753 Other Taxes		2,450.00			2,450.00
763 Communications Expense	1,898.02	1,928.55	1,881.22	2,144.64	7,852.43
764 Tolls & Parking Fees	401.00	169.03	283.71	210.00	1,063.74
765 Client Meals and Entertainment	286.89	506.36	926.48	429.08	2,148.81
766 Travel & Lodging Expense	3,964.04	3,446.53	1,759.01	3,574.21	12,743.79
768 Utilities	2,644.29	4,144.01	2,432.35	458.72	9,679.37
770 Payroll Processing Expenses	865.30	320.50	244.50	259.50	1,689.80
Total Expenses	**$ 102,353.93**	**$ 112,565.65**	**$ 86,990.36**	**$ 115,688.92**	**$ 417,598.86**
Net Operating Income	**-$ 38,452.78**	**-$ 43,886.83**	**-$ 34,609.91**	**-$ 47,846.94**	**-$ 164,796.46**
Other Income					
802 Interest Earned	7,723.67	7,723.67	46.02	7,814.09	23,307.45
Total Other Income	**$ 7,723.67**	**$ 7,723.67**	**$ 46.02**	**$ 7,814.09**	**$ 23,307.45**
Other Expenses					
775 Depreciation Expense	3,855.26	3,953.70	3,904.51	4,109.82	15,823.29
Total Other Expenses	**$ 3,855.26**	**$ 3,953.70**	**$ 3,904.51**	**$ 4,109.82**	**$ 15,823.29**
Net Other Income	**$ 3,868.41**	**$ 3,769.97**	**-$ 3,858.49**	**$ 3,704.27**	**$ 7,484.16**
Net Income	**-$ 34,584.37**	**-$ 40,116.86**	**-$ 38,468.40**	**-$ 44,142.67**	**-$ 157,312.30**

Thursday, Jul 10, 2025 05:19:03 AM GMT-7 - Accrual Basis

EXHIBIT O

RELEASE

[*This is our current standard form of Release. This document is not signed when you purchase a franchise. In circumstances such as a renewal of your franchise or as a condition of our approval of a sale of your franchise, we may require you sign this General Release.*]

This Release ("Release") is executed by the undersigned ("Releasor") in favor of Krystal Klean Franchisor, LLC, a Delaware limited liability company ("Franchisor").

Background Statement: [*describe circumstances of Release*]

Releasor agrees as follows:

1. Release. Releasor (on behalf of itself and its parents, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, managers, members, partners, agents, and employees (collectively, the "Releasing Parties") hereby release Franchisor, its affiliates, and their respective directors, officers, shareholders, employees, and agents (collectively, the "Released Parties") from any and all claims, causes of action, suits, debts, agreements, promises, demands, liabilities, contractual rights and/or obligations, of whatever nature, known or unknown, which any Releasing Party now has or ever had against any Released Party based upon and/or arising out of events that occurred through the date hereof, including without limitation, anything arising out of the Franchise Agreement (collectively, "Claims").

2. Covenant Not to Sue. Releasor (on behalf of all Releasing Parties) covenant not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any Released Party with respect to any Claim.

3. Representations and Acknowledgments. Releasor represents and warrants that: (i) Releasor is the sole owners of all Claims, and that no Releasing Party has assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim; (ii) Releasor has full power and authority to sign this Release; and (iii) this Release has been voluntarily and knowingly signed after Releasor has had the opportunity to consult with counsel of Releasor's choice. Releasor acknowledges that the release in Section 1 is a complete defense to any Claim.

4. Miscellaneous. If any of the provisions of this Release are held invalid for any reason, the remainder of this Release will not be affected and will remain in full force and effect. In the event of any dispute concerning this Release, the dispute resolution, governing law, and venue provisions of the Franchise Agreement shall apply. Releasor agrees to take any actions and sign any documents that Franchisor reasonably requests to effectuate the purposes of this Release. This Release contains the entire agreement of the parties concerning the subject matter hereof.

Executed by:

_____

Name: _____

Date: _____

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

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

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

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 Krystal Klean Franchisor, LLC offers you a franchise, it 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 you be given this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of any binding franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

If Krystal Klean Franchisor, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (which are listed in **Exhibit A**). The name, principal business address, and telephone number of each franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
Kyle Mason	1326 Tamson St., Ste 201, Cambria, CA 93428	(559) 275-5698
Dale Waite	1326 Tamson St., Ste 201, Cambria, CA 93428	(559) 275-5698
Keri McGrath	1326 Tamson St., Ste 201, Cambria, CA 93428	(559) 275-5698
Juan Carillo	1326 Tamson St., Ste 201, Cambria, CA 93428	(559) 275-5698
Vince DiCarlo	1326 Tamson St., Ste 201, Cambria, CA 93428	(559) 275-5698
Jacob Hathaway	1326 Tamson St., Ste 201, Cambria, CA 93428	(559) 275-5698
Darrell Gibbs	1326 Tamson St., Ste 201, Cambria, CA 93428	(559) 275-5698

Krystal Klean Franchisor, LLC authorizes the respective state agencies identified on **Exhibit A** to receive service of process for it in that particular state.

Issuance Date: May 2, 2025. I received a Disclosure Document dated May 2, 2025 that included the following Exhibits:

A. LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS
B. KEPT CO. SERVICES AGREEMENT
C. FRANCHISE AGREEMENT
D. DEVELOPMENT AGREEMENT
E. ACCOUNT TRANSFER AGREEMENT
F. COMPANY-OWNED BUSINESS PURCHASE AGREEMENT
G. SOFTWARE LICENSE AGREEMENT
H. EQUIPMENT SALES AGREEMENT
I. SECURED PROMISSORY NOTE
J. SUPPORT SERVICES AGREEMENT
K. TABLE OF CONTENTS OF THE MANUAL
L. STATE SPECIFIC ADDENDA AND RIDERS
M-1. KRYSTAL KLEAN FRANCHISED BUSINESSES
M-2. KRYSTAL KLEAN FORMER FRANCHISEES
N. FINANCIAL STATEMENTS
O. RELEASE

Signature: _____ Signature: _____
Date Received: _____ Date Received: _____

Retain this copy for your records.

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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 Krystal Klean Franchisor, LLC offers you a franchise, it 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 you be given this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of any binding franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

If Krystal Klean Franchisor, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (which are listed in **Exhibit A**). The name, principal business address, and telephone number of each franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
Kyle Mason	1326 Tamson St., Ste 201, Cambria, CA 93428	(559) 275-5698
Dale Waite	1326 Tamson St., Ste 201, Cambria, CA 93428	(559) 275-5698
Keri McGrath	1326 Tamson St., Ste 201, Cambria, CA 93428	(559) 275-5698
Juan Carillo	1326 Tamson St., Ste 201, Cambria, CA 93428	(559) 275-5698
Vince DiCarlo	1326 Tamson St., Ste 201, Cambria, CA 93428	(559) 275-5698
Jacob Hathaway	1326 Tamson St., Ste 201, Cambria, CA 93428	(559) 275-5698
Darrell Gibbs	1326 Tamson St., Ste 201, Cambria, CA 93428	(559) 275-5698

Krystal Klean Franchisor, LLC authorizes the respective state agencies identified on **Exhibit A** to receive service of process for it in that particular state.

Issuance Date: May 2, 2025. I received a Disclosure Document dated May 2, 2025 that included the following Exhibits:

A. LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS
B. KEPT CO. SERVICES AGREEMENT
C. FRANCHISE AGREEMENT
D. DEVELOPMENT AGREEMENT
E. ACCOUNT TRANSFER AGREEMENT
F. COMPANY-OWNED BUSINESS PURCHASE AGREEMENT
G. SOFTWARE LICENSE AGREEMENT
H. EQUIPMENT SALES AGREEMENT
I. SECURED PROMISSORY NOTE
J. SUPPORT SERVICES AGREEMENT
K. TABLE OF CONTENTS OF THE MANUAL
L. STATE SPECIFIC ADDENDA AND RIDERS
M-1. KRYSTAL KLEAN FRANCHISED BUSINESSES
M-2. KRYSTAL KLEAN FORMER FRANCHISEES
N. FINANCIAL STATEMENTS
O. RELEASE

Signature: _____ Signature: _____
Date Received: _____ Date Received: _____

Return this copy to us at by email to kmason@fleetcleanusa.com