

## FRANCHISE DISCLOSURE DOCUMENT



FW Fleet Clean, LLC  
A Delaware limited liability company  
921 Empire Mesa Way  
Henderson, Nevada 89011  
1-877-477-WASH (9274)  
www.fleetcleanusa.com

FW Fleet Clean, LLC offers franchises for mobile, on-site, commercial vehicle cleaning and related services business under the mark Fleet Clean and other related marks. The total investment for a franchise is \$160,325 to \$436,375. This includes \$74,125 to \$227,625 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 \$190,325 to \$1,936,375. This includes \$104,125 to \$1,727,625 that must be paid to franchisor or its affiliates(s). Under a Development Agreement, you must agree to open at least two franchises, and you must pay us a development fee equal to 50% of the initial franchise fee for each additional franchise that you are to establish under the Development Agreement after the first. The total investment for two to five franchises under the Development Agreement is \$165,325 to \$736,375. This includes \$79,125 to \$527,625 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 921 Empire Mesa Way, Henderson, Nevada 89011, telephone: (559) 275-5698.

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](http://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 30, 2023

## How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
<b>How much can I earn?</b>	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 Exhibit L-1.
<b>How much will I need to invest?</b>	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.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Exhibit M includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only Fleet Clean business in my area?</b>	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What’s it like to be a Fleet Clean franchisee?</b>	Exhibits L-1 and L-2 lists current and former franchisees. You can contact them to ask about their experiences.

**What else should I know?**

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

## What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

### Some States Require Registration

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

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

## Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement 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 K**.



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

**General**

To simplify the language in this Disclosure Document, “**Company**”, “**we**” or “**us**” means FW Fleet Clean, LLC (dba Fleet Clean USA). “**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 October 24, 2018. Our principal place of business is 921 Empire Mesa Way Henderson, Nevada 89011. We do business under our entity name, FW Fleet Clean, LLC, the name “Fleet Clean” and “Fleet Clean USA”.

We began offering Franchises under the Fleet Clean 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 January 1, 2019.

Fleet Clean franchises are mobile, on-site, commercial vehicle cleaning businesses that feature and operate under the Marks (“**Franchises**”). The distinguishing characteristics of our system (the “**System**”) include, without limitation, distinctive business formats; procedures; Manual (“**Manual**”); the Vehicles; procedures for operations, accounting, collections, management and inventory control; certification and assistance; and advertising and promotional programs. We may change the System periodically.

We license the proprietary software, myFC, to our franchisees. Our franchisees must purchase the Fleet Clean proprietary wash box to 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. See **Item 8** for further information.

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. (fka Fleetwash, Inc.), a New Jersey corporation (“**Kept Co.**”), owns and operates mobile truck washing 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**. Our agent for service of process in the State of Nevada is Kyle Mason and his address is 921 Empire Mesa Way, Henderson, Nevada 89011.

**Parents, Predecessors and Affiliates**

Our predecessor is Fleet Clean Systems, Inc., a Delaware corporation (“**FCS**”). We acquired the Marks and System from FCS on November 1, 2018. FCS’s principal place of business is 30680 Winifred Street, Big Pine Key, Florida 33043. FCS offered franchises under the Marks from July 2013 to November 1, 2018. During that time, FCS sold 28 franchises.

Except as set forth above, FCS engaged in no activities other than offering, selling and supporting Franchises, and did not operate a business of the type being franchised, however, its affiliate, Sam Wash, Inc. (“**Sam Wash**”) owned and operated mobile truck washing businesses under the Marks. FCS and its affiliates did not offer franchises in any other line of business.

Our parent is Kept Co. Its principal place of business is 26 Law Drive, Fairfield, New Jersey 07004. Kept Co. is the largest on-site truck washing company in the United States and has been providing mobile truck washing services under the “Fleetwash” mark since 1973.

Kept Co. may offer Fleet Clean franchisees the opportunity to participate in Kept Co.’s service program and provide mobile, on-site commercial vehicle washing and related services for Kept Co.’s customers (the “**Kept Co. Services Program**”; each such customer account will be 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, and amounts you earn for work performed for Kept Co. Service Program Accounts will be included in your Gross Revenue (as defined in **Item 6**). It is also likely that amounts you earn for work performed for Kept Co. Service Program Accounts will qualify as National Account Gross Revenue (as defined in **Item 6**). This means that we may charge Royalty Fees, Advertising Fund Contributions and any other fees that are calculated based on your Gross Revenue as described in **Item 6**. We may also charge National Account Support Fees on amounts earned by you under the Kept Co. Service Program as described in **Item 6**. We recommend that you assess your ability to profit from performing services for Kept Co. Service Program Accounts under the terms of the Kept Co. Services Agreement after considering expenses, including amounts that you must pay to us under the Franchise Agreement.

Except as set forth above, Kept Co. engages in no activities, does not provide products or services to franchisees, and has not offered franchises in any line of business.

None of our affiliates or predecessors have offered franchises in any line of business, except our predecessor FCS offered Franchises under the Marks for approximately five years as described above. None of our affiliates provide products or services to our franchisees. We and our predecessors and affiliates do not offer franchises in any other line of business.

## **The Franchise Rights Offered**

### ***Franchise Agreement***

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

Under a Franchise Agreement, we grant you the right (and you accept the obligation) to operate one Franchise within the geographic area specified in the Franchise Agreement (the “**Territory**”). You may be required to establish a brick-and-mortar or physical location either prior to or after opening (rather than a home office) (the “**Franchise Location**”).

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. You must provide us with written notice of your Operating Principal and Manager at least 60 days’ prior to opening the Franchise.

### ***Development Agreement***

We offer qualified parties (“**you**” or the “**Developer**”) who have entered into a Franchise Agreement and wish to have the right to develop additional Franchises in one or more additional geographic areas (each, a “**Development Territory**”; collectively, the “**Development Territories**”) the ability to enter into a Development Agreement with us. 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 Territory 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 the Development Territories, expected demand for Franchises, your desire and ability to develop and operate the Franchises, and other factors. During the term of the Development Agreement, you must operate and maintain Franchises in each Development Territory according to the terms of the Development Schedule.

### ***Account Transfer Program***

If you desire to purchase a Franchise in a Territory in which there are customer accounts serviced by us, as a condition to granting you the right to operate a Franchise in such Territory, you must 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 Fleet Clean business, as a condition to granting you the right to operate a Franchise in the 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

attached as **Exhibit F**.

### **General Market and Competition**

The general market for Franchises consists of any commercial business with trucks and other large vehicles that wish to purchase services of an outside vendor to provide for the cleaning of such vehicles. Sales are seasonal.

Franchises compete with other national, regional and local businesses offering and selling commercial vehicle cleaning and related services. You may also encounter competition from our affiliates offering mobile fleet washing services or at traditional retail locations. In particular, Kept Co. offers mobile truck washing services across the United States. 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 Fleet Clean 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, 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 fleet washing businesses. 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.

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 November 2018. He is also 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 November 2018. He is also 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 November 2018. He is also 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 April 2022, and is the Chief Merger & Acquisitions Officer of Kept Co., a position he has held since April 2022. He was previously our Chief Financial Officer, a position that he held since our inception 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 these positions from Fairfield, New Jersey.

### **Chief Financial Officer**

**Lee Schutzman**

Lee Schutzman has been our Chief Financial Officer and the Chief Financial Officer of Kept Co. since April 2022. Before that, Lee spent 14 years at Covanta, which owns or operates 40+ facilities worldwide that convert municipal waste into energy, where he was most recently Vice President Finance. He holds these positions from Fairfield, New Jersey.

### **Chief Operating Officer**

**Daniel Carlton**

Daniel Carlton has been our Chief Operating Officer since September 2019 in Fairfield, New Jersey. He was previously the Regional Manager of Kept Co. from January 2019 to September 2019 in Los Angeles, California. From June 2003 to December 2018, he was the Customer Service and District Manager of Kept Co. in Los Angeles, California.

### **Vice President of Mergers and Acquisitions and New Operations**

**Philip V. DeStefano**

Philip DeStefano has served as our Vice President of Mergers and Acquisitions and New

Operations since November 2018. He is also the Vice President of Mergers and Acquisitions and New Operations of Kept Co., a position he has held since 1980. He holds these 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 November 2018. He is also Chief Environmental Compliance Officer and Safety Director of Kept Co., a position he has held since 1973. He holds these positions from Fairfield, New Jersey.

**Chief Administrative Officer** **Lorraine Matarazzo**

Lorraine Matarazzo has been our Chief Administrative Officer since November 2018. She is also the Chief Administrative Officer of Kept Co., a position she has held since 1990. She holds these positions from Fairfield, New Jersey.

**Vice President Operations** **Kyle D. Mason**

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

**Director of Corporate Operations** **Juan Carrillo**

Juan Carrillo has been our Director of Corporate Operations since June 2020. He was a California District Manager for Kept Co., a position he held from January 2016 to June 2020 in Tracy, California. He holds his current position from Henderson, Nevada.

**Director of Franchise Development** **Vincent DiCarlo**

Vincent DiCarlo has been our Director of Franchise Development since November 2020. He served as Compliance and Safety Director of Kept Co. from September 2015 to November 2020. He holds his current position from Henderson, Nevada.

**Franchise Development Manager** **Dale Waite**

Dale Waite has served as our Franchise Development Manager since November 2018. He also served as the Franchise Development Manager for our predecessor, FCS, from December 2015 to November 2018. In addition, he is Franchise Development Manager for Next Franchise Systems LLC, a position he has held since December 2012. He holds these positions from Macon, Georgia.

**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**”). All franchisees do not pay the same Initial Franchise Fee. The formula will vary according to the density of the population related to the total area and other demographic considerations in your Territory. We charged Initial Franchise Fees ranging from \$10,000 to \$150,000 during the past fiscal year. 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 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. You must pay the Development Fee at the time you sign the Development Agreement.

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.

All franchisees do not pay the same Development Fee. 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 Territories. The Development Fee is not refundable.

## **Other Initial Fees**

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

### ***myFC 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 an annual fee (currently \$1,500 per location), due at the time of signing, and a monthly support and access fee (currently \$125 per month per device). The monthly support and access fee for the first month is 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 \$60,000 and \$68,000, 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 customer accounts serviced by us, as a condition to granting you the right to operate a Franchise in such Territory, you must 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 Fleet Clean customer accounts under the Account Transfer Program ranges from \$30,000 to \$300,000. 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. The precise purchase price will be mutually agreed upon in advance and set forth in the Account Transfer Agreement prior to signing.

In the 2022 fiscal year, no franchisees purchased customer accounts under the Account Transfer Program.

Amounts paid under the Account Transfer Agreement are not refundable. You must pay



the fee in full at the time you sign the Account Transfer Agreement.

### ***Company-Owned Business Purchase Program***

If you desire to purchase a Franchise in a Territory in which we operate an existing Fleet Clean business, as a condition to granting you the right to operate a Franchise in the 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 form of Company-Owned Business Purchase Agreement attached as **Exhibit F**.

The purchase price for a Fleet Clean company-owned business under the Company-Owned Business Purchase Program ranges from \$300,000 to \$1,500,000. 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 2022 fiscal year, we charged purchase prices ranging from \$572,500 to \$1,035,200 for company-owned businesses purchased under the Company-Owned Business Purchase Program.

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

### ***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.

**ITEM 6**  
**OTHER FEES**

<b>Type of Fee (Note 1)</b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Royalty Fee	8.5% of your Gross Revenue	We will invoice your customers on a weekly basis and pay you the net amount collected within 10 business days after payment by your customers. See <b>Note 2</b>	See <b>Note 2</b> for the definition of Gross Revenue. See also <b>Note 5</b> .
Advertising Obligations	Currently, 2.5% of your Gross Revenue ( <b>Notes 3 and 4</b> )	If paid to us, same as Royalty Fee	<i>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.</i>
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	Time of assistance	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.
Advance Assurance Fee	2% 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 Fleet Clean Advance Assurance Program. See <b>Note 5</b> .
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 <b>Note 6</b> .
Software License and Support Fees	Under the Software License Agreement, you will pay us a reasonable annual fee (currently, \$1,500 per Franchise) and a monthly support and access fee of \$125 per month per device.	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
Billing Processing and Service Fees	Actual amount of charges incurred, plus a reasonable administrative charge (currently, \$40 per hour)	Upon demand	Payable if your customer requires us to use an alternate billing process, or if we incur additional out-of-pocket expenses in providing billing services, such as bank or credit card fees or other service fees.
Collection Fee	Our out-of-pocket costs	Upon demand	See <b>Note 7</b> .
Late Payment/late report charge; Interest on Overdue Amounts	\$250 per month; 1.5% per month on the underpayment ( <b>Note 8</b> )	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.
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

Type of Fee (Note 1)	Amount	Due Date	Remarks
			underpayment (see “Late Payment/late report charge; Interest on Overdue Amounts” above and <b>Note 8</b> )).
Supplier Testing	Our actual costs	Upon demand, if incurred	If you propose a new product or supplier of products, and we inspect the supplier or test the supplier’s products, we charge you or the supplier for our costs in conducting those inspections or running those tests. 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.
Inspection Fee	Our reasonable expenses	Upon demand	We require you to reimburse our reasonable expenses for any inspection including reinspections 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.
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 <b>Note 9</b> )

Type of Fee (Note 1)	Amount	Due Date	Remarks
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.
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.
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 Advertising Fund Contributions for 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.

Type of Fee (Note 1)	Amount	Due Date	Remarks
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 unless otherwise noted. Fees paid to a third party may be refundable depending on your agreement with third parties. All fees are uniformly applied to new System franchisees; however, 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.
2. As used in this chart, the term “**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, less refunds. “**Gross Revenue**” also includes the fair market value of any services or products received by you in barter or in exchange for services and products.

We will invoice your customer on a weekly basis (unless we consider a different interval appropriate) based on sales reports we receive from 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. We will pay you the net amount collected from your customers after deducting Royalty Fees and other amounts due to us as well as any bank, credit card or service charges. If you participate in the Advance Assurance Program with respect to a particular customer, you will be paid the net amount within ten business days after the date of invoice. You will have the opportunity to review pro forma invoices generated by us for your customers in advance. We will provide you 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 4.5% 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 an Advertising Fund (the “**Advertising 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. We will not increase your Advertising Obligations by more than 1% in any 365-day period.

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. Kept Co. units will not contribute to Market Cooperatives.
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 whom 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 Fleet Clean 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).

**ITEM 7**  
**ESTIMATED INITIAL INVESTMENT**

**YOUR ESTIMATED INITIAL INVESTMENT (ACCOUNT TRANSFER PROGRAM/COMPANY-OWNED BUSINESS PURCHASE PROGRAM NOT 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)	35,000	60,000	As arranged	As arranged	Vehicle Dealership
Fleet Clean Proprietary Wash Box and Installation (7)	60,000	68,000	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
myFC Software (12)	1,875	1,875	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
<b>TOTAL (17)</b>	<b>\$160,325 to \$436,375</b>				

**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)	35,000	60,000	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
Fleet Clean Proprietary Wash Box and Installation (7)	60,000	68,000	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
myFC Software (12)	1,875	1,875	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	1,500,000	As arranged	As arranged	Us
<b>TOTAL (17)</b>	<b>\$190,325 to \$1,936,375</b>				

### 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 the purpose of this estimate, we have estimated our costs and expenses at \$1,000, for a total of \$2,500 per site visit.
- (4) Lease. Under the Franchise Agreement, 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 \$400 to \$4,000 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 decals, graphics and other designs for the Vehicle(s) and Manager's vehicles.
- (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 Fleet Clean Proprietary Wash Box and Installation. These two estimates together include one fully equipped Vehicle, which consists of the Fleet Clean 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 myFC 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 an annual fee of \$1,500 per Franchise and a monthly support and access fee of \$125 per month per device (subject to adjustment). 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 are the minimum recommended levels to cover additional operating expenses for three months. However, this amount might not be sufficient. Additional working capital may be required if sales are low and/or fixed costs are high.
- (16) Account Transfer Program/Company-Owned Business Purchase Program. The purchase price for Fleet Clean customer accounts under the Account Transfer Program ranges from \$30,000 to \$300,000. The purchase price for a Fleet Clean company-owned business under the Company-Owned Business Purchase Program ranges from \$300,000 to

\$1,500,000. 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)	\$160,325	\$436,375	Varies (see above chart)	Varies (see above chart)	Varies (see above chart)
Development Fees	\$5,000	\$300,000	Check or wire	Upon signing	Us
<b>TOTAL (3)</b>	<b>\$165,325 to \$736,375</b>				

- (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 amount given in the chart above represents our best estimate of your total investment for two to five Franchises opened under a Development Agreement.

In compiling these charts, we relied upon our experience in operating company-owned outlets. The amounts shown are estimates only and may vary for many reasons including the size and location of your Territory, 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. You must provide all security, guarantees and other assurances required by the owner of the Franchise Location.

#### **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) 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;

(iv) 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

(v) 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 Fleet Clean 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.

#### **7. *Required Bookkeeper Services.***

If you obtain financing from us, we reserve the right to require that you engage a bookkeeper or accountant specified by us, at your cost.

As described above, we are currently the only approved supplier of the proprietary myFC 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.

### **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 our costs 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 (collectively, "**Allowances**") offered to us or to our affiliates by manufacturers, suppliers and distributors based upon your purchases of products and other products and services.

### **Revenue Based on Franchisee Purchases**

We derive revenue from certain required purchases by franchisees. In the 2022 fiscal year, our revenue from all required purchases of products and services by franchisees was \$266,713.69, which is 2.4% of our total revenue of \$11,137,075.66 for fiscal year 2022.

Other than these amounts, 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.**

	<b>Obligation</b>	<b>Section In Agreements</b>	<b>Disclosure Document Item</b>
a.	Site selection and acquisition/ lease	§ 5.1, 5.4 and 5.5 in Franchise Agreement	<b>Items 6 and 11</b>
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	<b>Items 7 and 8</b>
c.	Site development and other pre-opening requirements	§§ 3.3 and 5.1 through 5.6 in Franchise Agreement; § 1 in Development Agreement	<b>Items 6, 7 and 11</b>
d.	Initial and ongoing training	§§ 3.2, 3.4, 5.5.4, 5.6, and 12.4.8 in Franchise Agreement	<b>Items 6 and 11</b>
e.	Opening	§ 5.5 in Franchise Agreement	<b>Item 11</b>
f.	Fees	§§ 2.2.7, 3.1, 3.2, 3.4.2, 3.8, 4, 5.1.3.5, 5.6, 5.11.1, 5.13, 5.16, 5.21, 5.23, 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	<b>Items 5, 6, 7,11 and 17</b>
g.	Compliance with standards and	§§ 1.3, 3.5, 5, 7, and 9 in Franchise Agreement; § 4 in Development	<b>Items 1, 8, 15 and 16</b>

	<b>Obligation</b>	<b>Section In Agreements</b>	<b>Disclosure Document Item</b>
	policies/Operating Manual	Agreement; §§ 5 and 7 in Account Transfer Agreement	
h.	Trademarks and proprietary information	§§ 1.1 and 6 in Franchise Agreement; §§ 1.2, 1.3, 1.6 and 1.7 in Development Agreement	<b>Items 13 and 14</b>
i.	Restrictions on products/services offered	§§ 1.3, 5.2, 5.3, 5.9, 5.10 and 5.11 in Franchise Agreement	<b>Items 8 and 16</b>
j.	Warranty and customer service requirements	§ 5.3 and 5.9 in Franchise Agreement	Not applicable
k.	Territorial development and sales quotas	§§ 1.1 and 5.22 in Franchise Agreement; § 1 in Development Agreement	<b>Item 12</b>
l.	Ongoing product/service purchases	§ 5 in Franchise Agreement	<b>Items 8 and 11</b>
m.	Maintenance, appearance and remodeling requirements	§§ 2.2.3, 5, and 12.4.5 in Franchise Agreement	<b>Items 6 and 17</b>
n.	Insurance	§ 11 in Franchise Agreement	<b>Items 6 and 7</b>
o.	Advertising	§§ 1.2, 5.15, and 10 in Franchise Agreement	<b>Items 6 and 11</b>
p.	Indemnification	§ 5.7, 5.18, 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	<b>Item 6</b>
q.	Owner's participation/management/ staffing	§§ 5.6, 5.7, 5.20 and 15.1 in Franchise Agreement	<b>Item 15</b>
r.	Records and reports	§§ 4.2, 5.3, and 9 in Franchise Agreement	<b>Item 11</b>
s.	Inspections and audits	§ 5.12, 9 in Franchise Agreement	<b>Items 6, 11 and 13</b>

	<b>Obligation</b>	<b>Section In Agreements</b>	<b>Disclosure Document Item</b>
t.	Transfer	§ 12 in Franchise Agreement; § 6 in Development Agreement	<b>Items 6 and 17</b>
u.	Renewal	§ 2.2 in Franchise Agreement	<b>Item 17</b>
v.	Post-termination obligations	§ 14 in Franchise Agreement; § 5.4 in Development Agreement	<b>Item 17</b>
w.	Non-competition covenants	§ 15 in Franchise Agreement; § 7 in Development Agreement	<b>Item 17</b>
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	<b>Item 17</b>
y.	Guarantee	Attachment 2 in Franchise Agreement and Attachment 2 in the Development Agreement	<b>Item 15</b>

## **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 Fleet Clean 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 5 to 10% annual interest and is compounded monthly. The rate of interest will vary depending on the cost of funds, your creditworthiness, and the amount of the loan. 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, with a minimum weekly repayment amount. The term of the financing is generally 48 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. Each advance made under the Revolving Credit Agreement is made under the terms of the Note attached to the Revolving Credit Agreement. Interest under the Note is at a rate of 8% for working capital loans and is compounded monthly, and principal and interest is required to be repaid in equal weekly payments in a specified amount

as specified in the Note. The term of financing is generally 60 months from the date of each advance. The form of Revolving Credit Agreement is attached as Attachment 3 to **Exhibit F**.

You are not required to use us for financing.

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 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;

(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.



If a party seeks to enforce the Debt Instrument, the prevailing party is entitled to recover its reasonable costs and expenses.

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.

We do not know whether you will be able to obtain financing from third parties for all or part of your investment and, if so, the terms of the financing.

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 require 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 J** and is 325 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. (Franchise Agreement, Sections 5.2.2 and 5.11)

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 Advertising Fund as stated in the Franchise Agreement and as described below in this **Item 11**. (Franchise Agreement, Section 3.7 and Section 10.3)

4. We will invoice your customers on a weekly basis (unless we consider a different interval appropriate). 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. (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 is limited or prohibited by applicable law (Franchise Agreement, Section 5.9.5).

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.

## **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, Section 5.1)

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 5.5)

If you do not comply with these requirements, you will be in default and we may terminate the Franchise Agreement. (Franchise Agreement, Section 13.2.1)

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 Territories, which will be set forth in the Development Agreement that we and you sign. The Development Territories will be stipulated in the Development Agreement and mutually agreed upon prior to signing. Each Franchise Agreement under a Development Agreement will have a Territory that is based on the corresponding Development Territory listed on the Development Agreement and which has been agreed upon prior to the signing of the Development Agreement. The Development Territories 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 5.5.4)

Our initial certification program is described below:

**TRAINING PROGRAM**

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-the-Job-Training</b>	<b>Location of Training</b>
Orientation	.5	0	Currently, Henderson, Nevada
Licensing and Permitting	.5	0	Currently, Henderson, Nevada
Tax Requirements	.5	0	Currently, Henderson, Nevada
Insurance Requirements	.5	0	Currently, Henderson, Nevada
Employee Search and Hiring	1.5	0	Currently, Henderson, Nevada
Bookkeeping and Recordkeeping	2.5	0	Currently, Henderson, Nevada
Accounting and Reporting	2.5	0	Currently, Henderson, Nevada

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-the-Job-Training</b>	<b>Location of Training</b>
Sales, Marketing and Development	2.5	0	Currently, Henderson, Nevada
Operations Management	4	0	Currently, Henderson, Nevada
Environmental Management	1	0	Currently, Henderson, Nevada
Waste Generation and Disposal	1	0	Currently, Henderson, Nevada
Waste Documentation and Reporting	1	0	Currently, Henderson, Nevada
Logistics and Dispatching	1.5	0	Currently, Henderson, Nevada
Vehicle and Equipment Operation	2.5	0	Currently, Henderson, Nevada
Vehicle and Equipment Maintenance	2.5	0	Currently, Henderson, Nevada
Cost Controls	1.5	0	Currently, Henderson, Nevada
Quality and Performance Standards	2.5	0	Currently, Henderson, Nevada
Safety Requirements	1.5	0	Currently, Henderson, Nevada
DOT Requirements	1.5	0	Currently, Henderson, Nevada
Training Requirements	2	0	Currently, Henderson, Nevada
Security Requirements	1.5	0	Currently, Henderson, Nevada
Customer Relations and Communications	2	0	Currently, Henderson, Nevada
Problem Identification and Resolution	2	0	Currently, Henderson, Nevada
Intermediate and Final Tests and Evaluation	1.5	0	Currently, Henderson, Nevada
<b>Segment – Safety</b>			
Module - Driving	0	.5	Your Territory
Module - PPE	0	.5	Your Territory

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-the-Job-Training</b>	<b>Location of Training</b>
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
<b>Segment - The Fleet Clean Rig</b>			
Module - Fueling	0	.25	Your Territory
Module - Starting	0	.25	Your Territory
Module - Checking Oil	0	.25	Your Territory
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
<b>Segment – Equipment Use</b>			
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

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-the-Job-Training</b>	<b>Location of Training</b>
Module - Generator	0	.5	Your Territory
Module - Water Reclamation	0	1	Your Territory
<b>Segment – Equipment Maintenance and Troubleshooting</b>			
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
Module - Generator Troubleshooting	0	.5	Your Territory
Module - Water Reclaim Cleaning	0	.5	Your Territory
Module - Water Reclaim Troubleshooting	0	.5	Your Territory
Module - High Pressure 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

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-the-Job-Training</b>	<b>Location of Training</b>
<b>Segment – Soaps and Chemicals</b>			
Module - Blue Soap			Your Territory
Mixing	0	.5	Your Territory
Using	0	.5	Your Territory
Module - Aluma-Brite			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
<b>Segment – Fleet Washing</b>			
Module - Vehicle Types			Your Territory
Tractors	0	.25	Your Territory
Trailers	0	.25	Your Territory
Tankers	0	.25	Your Territory
Module - Sequence	0	3	Your Territory
Where to Start On Yard	0	.5	Your Territory
Where to Start on Vehicle	0	.25	Your Territory
Roles	0		Your Territory
Wand	0	3	Your Territory
Upper Brush	0	3	Your Territory
Lower Brush	0	3	Your Territory
Module - Wheel Washing	0	1	Your Territory
Module - Washing Trailers/Boxes	0	3	Your Territory



<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-the-Job-Training</b>	<b>Location of Training</b>
Module - Washing Tankers	0	2	Your Territory
Module - Washing Cabs	0	3	Your Territory
Module - Trailer/Box Washouts	0	2	Your Territory
Module - Engine Degreasing	0	2	Your Territory
Module - Interior Cleaning	0	2	Your Territory
Segment – Concrete Cleaning	0	2	Your Territory
<b>TOTALS:</b>	40	53.25	

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 Juan Carrillo. Juan is our Director of Corporate Operations. He has supervised the instruction of System franchisees since June 2020 and has been involved in the vehicle washing industry for over 16 years.

The instructional 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 5.6.1)

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 5.6.2)

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 5.6.3)

### **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.

On a monthly basis, you must: (a) contribute monies to the Advertising 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., Advertising Fund Contributions and Market Cooperative Contributions) will not, collectively, exceed 4.5% of your Gross Revenue. (Franchise Agreement, Section 10.2)

We currently require that you contribute 2.5% of your Gross Revenue to the Advertising Fund. *We are currently waiving our right to require contributions to the Advertising 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.

### **Advertising Fund**

We have established a fund for System-wide advertising (the “**Advertising Fund**”). The Advertising 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 Advertising 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 Advertising 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 Advertising Fund. We are not required to spend any amount of the Advertising Fund in your trade area. (Franchise Agreement, Section 10.3.1)

2. The Advertising Fund, and all contributions to and earnings from, the Advertising Fund, will be used only (except as otherwise provided below) to meet all costs of maintaining, administering, directing, conducting, creating, and/or otherwise preparing advertising, marketing, public relations and promotional programs and materials, and any other activities that we believe will enhance the image of the System. This includes, among other things, the costs of preparing and/or conducting: media advertising campaigns; direct mail advertising; 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; conducting and administering visual merchandising, and other merchandising programs; purchasing media space or time (including all associated fees and expenses); administering regional and multi-regional marketing and advertising programs; market research and customer satisfaction surveys; developing and implementing customer loyalty and gift card programs; the creative development of, and actual production associated with, premium items, giveaways, promotions, contests, public relation events, and charitable or non-profit events; developing and maintaining our website; 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 "Fleet Clean" brand; providing promotional and other marketing materials and services to the Franchises operated under the System; independent sales agent commissions; and the salaries of our employees to the extent such employees provide services in conjunction with System marketing activities. The Advertising 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 Advertising Fund creates, places, and pays for marketing. As noted above, we may allocate a reasonable amount of the Advertising 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 Advertising Fund monies for advertising that is principally a solicitation for the sale of Franchises and no portion of the Advertising Funds was expended on the solicitation of franchisees in our fiscal year 2022. (Franchise Agreement, Section 10.3.2)

3. You must contribute to the Advertising Fund in the manner we specify. All sums you pay to the Advertising Fund will be maintained in an account separate from our other monies. (Franchise Agreement, Section 10.3.3)

4. The Advertising Fund will not be used to defray our general operating expenses, provided, however, that we will have the right to charge the Advertising Fund for the reasonable administrative costs and overhead that we incur in activities reasonably related to the direction and implementation of the Advertising 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 Advertising Fund). The Advertising Fund and its earnings will not otherwise inure to our direct benefit. We or our designee will maintain separate bookkeeping accounts for the Advertising Fund. (Franchise Agreement, Section 10.3.3)

5. The Advertising Fund is not a trust. We do not assume any fiduciary obligation to you or any other franchisee for maintaining, directing, or administering the Advertising Fund or for any other reason. An unaudited statement of the operations of the Advertising Fund as shown

on the books of the Advertising Fund is prepared annually by us and will be made available to you on an annual basis, upon request. The Advertising Fund is not audited. (Franchise Agreement, Section 10.3.4)

6. Although the Advertising Fund is intended to be of perpetual duration, we maintain the right to terminate the Advertising Fund. The Advertising Fund will not be terminated, however, until all monies in the Advertising Fund have been spent for marketing or promotional purposes. (Franchise Agreement, Section 10.3.5)

During our fiscal year ended December 31, 2022, we used the Advertising Fund contributions as follows:

<b>Category</b>	<b>% Spent</b>
Call Center Staff	74.7%
Online Marketing	25.3%
<b>Total</b>	<b>100%</b>

We contribute to the Advertising Fund on the same basis as is required of our franchisees with respect to company-owned locations. Locations owned by Kept Co. do not contribute to the Advertising Fund.

### **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 Fleet Clean 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 10.4.1)

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 10.4.2)

3. Market Cooperatives may not use marketing, promotional plans, or materials without our prior written approval, as described below. (Franchise Agreement, Section 10.4.3)

4. You must submit your required contribution to the Market Cooperative at the same time as payments are required for Royalties and the Advertising 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 10.4.4)

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 10.4.5)

*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 10.7)

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 Fleet Clean 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 5.13)

We may also develop, have developed, or license computer programs and other services and systems related to the technology matters. 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)
- Fleet Wash Scheduler version 4.03.77 (accessible through the remote desktop)
- File drop v1.1.0
- IOS Mobile App v1.1.9
- MyFC Website
- QuickBooks online

You must license the myFC software from us. The License Fee for this software is currently \$1,500 per year per Franchise Location. There is also a Support Fee which is currently \$125 per month, per device, 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. 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 myFC 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 \$2,500 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 located within the Territory. 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. In negotiating the Territory, we will examine population, median household income, traffic flow, presence of businesses, location of competitors, demographic, and other market conditions. The minimum area for a Territory is approximately the size of one county.

You may provide mobile, commercial vehicle cleaning services 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 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 operate a mobile, on-site, commercial vehicle cleaning business under the Marks in your Territory, nor grant a third party the right or license to operate a mobile, on-site, commercial vehicle cleaning business under the Marks in your Territory.

For accounts in your Territory that you have purchased under an Account Transfer Agreement or a Company-Owned Business Purchase Agreement (each, a “**Transferred Account**”), we or an affiliate may provide services to, or authorize third parties to provide services to, a Transferred Account if you lose the right to provide services for the Transferred Account for the reasons described in the Account Transfer Agreement or Company-Owned Business Purchase Agreement.

For all other accounts in your Territory, we or an affiliate may provide services to, or authorize third parties to provide services to, such accounts if (a) the account is a National Account; (b) if we determine, in our reasonable discretion, that you do not have capacity to meet customer requirements because of a lack of sufficient Vehicles and/or personnel; or (c) if you have engaged in misconduct with respect to the customer, as we determine in our reasonable discretion.

We and our affiliates reserve the right to:

(a) operate a mobile, on-site, commercial vehicle cleaning business, any business engaged in by Franchisee hereunder or any other business under the Marks outside of your Territory and grant third parties the right or license to operate mobile, on-site, commercial vehicle cleaning businesses under the Marks outside of your Territory;

(b) operate, and permit third parties to operate a mobile, on-site, commercial vehicle cleaning business, any business engaged in by Franchisee hereunder or any other business under marks other than the Marks anywhere, including, without limitation, mobile, on-site, commercial vehicle cleaning businesses that operate under the mark FLEETWASH or KEPT COMPANIES;

(c) sell and distribute, and license others to sell and distribute, products and services bearing the Marks or other marks through other channels of distribution including, without limitation, the internet, catalogs, or fixed-location (i.e., not mobile) vehicle cleaning businesses anywhere; and

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

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.

Kept Co. acquired the Marks and System on November 1, 2018. Kept Co. operates a business under the name "Fleetwash" and "Kept Companies" that offers mobile truck washing services throughout the United States and may offer these services in your Territory. Except for Kept Co., 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**”):

(a) During the first Performance Year, your average weekly Gross Revenue invoiced for services that you perform for customers in your Territory 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 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 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 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 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 Territories, which are specified in the Development Agreement. The size of the Development Territories will be mutually agreed upon prior to signing and will depend on the demographics and economic factors related to the Development Territories and other factors.

Each Franchise Agreement under a Development Agreement will have a Territory that is based on the corresponding Development Territory listed in the Development Agreement and which has been agreed upon prior to the signing of the Development Agreement. The Development Territories 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 operate a mobile, on-site, commercial vehicle cleaning business under the Marks in your Development Territories, nor grant a third party the right or license to operate a mobile, on-site, commercial vehicle cleaning business under the Marks in your Development Territories 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 Territories 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 Territories 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 Territories.

**ITEM 13**  
**TRADEMARKS**

We grant you the right to operate a Franchise under the trademark “Fleet Clean” and other Marks we may authorize you to use.

We own the following registered trademarks on file with the United States Patent and Trademark Office (“**USPTO**”) on the Principal Register:

Mark	Registration Number	Registration Date
	4,153,464	6/05/2012
FLEET CLEAN (words only)	5,600,172	11/6/2018
FLEET CLEAN USA	5,600,174	11/6/2018

We have filed all required affidavits. The first mark listed has been renewed, and we intend to renew the other marks at the appropriate time.

There are no 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 "Fleet Clean" 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. We have the right to direct and control any administrative proceeding or litigation involving the Marks, including any settlement. We have 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 we undertake the defense or prosecution of any litigation concerning the Marks, you must sign any documents and agree to do the things as may, in our 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 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. You must provide us with written notice of your Operating Principal and Manager at least 60 days prior to opening the Franchise. 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. 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 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 Fleet Clean franchisee and not as our agent.

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

You must offer for sale only products and services that we have approved, which includes mobile, on-site, commercial vehicle cleaning services 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 perform services using equipment other than a Vehicle that meets Franchisor’s specifications and standards, and you may not perform services in the territory of another Fleet Clean franchisee. You may perform services for customers that are located outside of the Territory provided (a) you have submitted to us a written request to provide services for such customer giving the name of the customer and its location; and (b) we have approved such request in writing. 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, equipment, and furnishings for Franchise; 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

Provision	Section in Franchise Agreement	Summary
a. Length of the Franchise Term	§ 2.1	10 years
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.
d. Termination by you	Not Applicable	Not applicable
e. Termination by us without cause	Not Applicable	Not applicable
f. Termination by us with cause	§ 13	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.

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
g. "Cause" defined – curable defaults	§ 13.3	All other defaults not specified in §§ 13.1 and 13.2 of the Franchise Agreement
h. "Cause" defined - non-curable defaults	§§ 13.1 and 13.2	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.
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	§§ 12.3.1 - 12.3.4	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.
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.



<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
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 Fleet Clean location to any competitor if you or any other Fleet Clean 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 are binding (subject to state law). Any representations or promises made outside the Disclosure Document and Franchise Agreement may not be enforceable. <i>However, no claim made in any Franchise Agreement is intended to disclaim the express representations made in this Disclosure Document.</i>
u. Dispute resolution by arbitration or mediation	§ 23.2	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	The laws of Nevada shall govern, subject to applicable state law.

Development Agreement

<b>Provision</b>	<b>Section in Development Agreement</b>	<b>Summary</b>
a. Length of the franchise term	§ 3	The end of the Development Schedule.
b. Renewal or extension of the term	Not Applicable, but see § 1.5	You may have one extension of up to six months.
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

<b>Provision</b>	<b>Section in Development Agreement</b>	<b>Summary</b>
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
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.

Provision	Section in Development Agreement	Summary
t. Integration/ merger clause	§12	Only the terms of the Development Agreement are binding. Any representations or promises made outside the Disclosure Document and Development Agreement may not be enforceable. <i>However, no claim made in any Development Agreement is intended to disclaim the express representations made in this Disclosure Document.</i>
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	§ 14.3	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	Nevada 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 K**.

### **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 this **Item 19** may be given only if: (1) a franchisor provides the actual records of an existing outlet a franchisee is 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.

As indicated below for Table 2, the following tables show the historical information for the 32 Franchisees (each an “**Included Franchisees**”) that were open continuously and operated as a Franchise during the fiscal year ended December 31, 2022 (“FY 2022”) and the last quarter of 2021. Of the 48 Franchises that were open at any time during FY 2022, we did not include data in this Item 19 for the following:

- Two Franchises that opened in the last quarter of 2021.

- Four Franchises reacquired by us and operated as company-owned units during 2022 (not including one of which was later resold during 2022 to another Franchisee).
- Eight Franchises that commenced operations in 2022 (including the one that was previously acquired by us during 2022 and then resold to a new Franchisee, and another that was acquired from us during 2022).
- Two Franchises that ceased operating in 2022.

**Table 1**

**FY 2022 Annual Gross Revenue  
for  
All Included Franchises<sup>1,2,3</sup>**

<b>Average Gross Revenue</b>	\$430,457.87
<b>Median Gross Revenue</b>	\$307,995.92
<b>High Gross Revenue</b>	\$1,542,383.00
<b>Low Gross Revenue</b>	\$31,105.94
<b>Franchises Meeting/Exceeding Average Gross Revenue</b>	10/32 (31.25%)

**[INTENTIONALLY BLANK]**

**Table 2**

**FY 2022 Expenses for  
Included Franchises Who Provided Us with Expense Data<sup>2,3, 11</sup>**

The following table is a summary statement for the 18 Included Franchisees that provided us with complete financial information. 14 of the 32 Included Franchisees did not submit financial information or provide us with complete financial information sufficient to prepare this expense statement.

Expense Category	High	Average	Median	Low	Percentage of Franchisees Meeting or Exceeding Average
Franchise Fees <sup>4</sup>	\$ 200,532.00	\$ 68,973.44	\$ 45,140.07	\$ 23,954.73	33.3%
Personnel Expenses <sup>5</sup>	\$ 584,581.00	\$ 227,323.69	\$ 179,146.67	\$ 33,583.09	38.9%
Chemicals & Supplies <sup>6</sup>	\$ 94,328.00	\$ 20,442.43	\$ 13,859.12	\$ 2,765.72	38.9%
Fuel	\$ 119,036.93	\$ 46,023.68	\$ 37,372.49	\$ 12,590.83	22.2%
Insurance <sup>7</sup>	\$ 109,327.00	\$ 28,283.83	\$ 26,484.25	\$ 3,956.74	33.3%
Miscellaneous Expenses <sup>8</sup>	\$ 277,912.00	\$ 94,122.29	\$ 59,246.25	\$ 19,534.48	33.3%
<b>Gross Revenue<sup>1</sup></b>	<b>\$ 1,542,383</b>	<b>\$ 563,830.54</b>	<b>\$ 330,348.01</b>	<b>\$ 211,289.76</b>	<b>33.3%</b>
<b>Net Profits<sup>9</sup></b>	<b>\$ 244,033.12</b>	<b>\$ 78,661.05</b>	<b>\$ 50,373.99</b>	<b>\$ (97,614.96)</b>	<b>44.4%</b>
<b>Net Profits %<sup>10</sup></b>	<b>48.1%</b>	<b>12.4%</b>	<b>16.1%</b>	<b>(-30.5%)</b>	<b>55.5%</b>

**NOTES TO TABLES:**

1. **“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, less refunds.

2. As detailed above, 32 Franchisees met the stated criteria for Table 1, and 18 Franchisees met the stated criteria for Table 2 and are included for the purpose of this Item 19.

3. For certain Franchises, due to a single franchisee owning multiple Franchises, Gross Revenue and the expenses listed in the chart above for each individual Franchise owned by the franchisee were not reported separately. Therefore, in those instances, we calculated Gross Revenue and expenses for the purpose of determining the information in Tables 1 and 2 by dividing the respective amounts for that franchisee by the number of Franchises owned by the

franchisee. For example, if a franchisee owns three Franchises, the total Gross Revenue and total expenses in each category reported by that franchisee was divided by three for purposes of calculating the average, high, low, and median amounts, as indicated, for each of those three Franchises in these tables.

4. Includes continuing fees paid under the Franchise Agreement including Royalty Fees, Advertising Fund Contributions and National Account Support Fees. See **Item 6** for further information.

5. **“Personnel Expenses”** includes wages paid to management and employees of a Franchise, including bonuses, payroll expenses, health insurance, workers' compensation, vacation, other employee benefits and associated payroll taxes paid to employees.

6. **“Chemicals & Supplies”** includes chemicals and replacement parts for Fleet Clean Vehicles.

7. **“Insurance”** includes coverage general liability, business automobile liability insurance, worker's compensation, commercial general liability insurance, property insurance. See Article 11 of the Franchise Agreement for our current insurance requirements.

8. **“Miscellaneous Expense”** includes miscellaneous expenses like Fleet Clean vehicle tags and taxes; if the franchisee has a physical location, rent, common area maintenance, real estate taxes; other miscellaneous expenses associated with occupancy; expenses associated with the storage of Fleet Clean Vehicles; repairs and maintenance; utilities; water; office supplies; accounting and other professional fees; meals and entertainment; business licenses and fees; and bank service charges. We do not included costs for interest and other debt service costs, taxes, depreciation, or amortization, because they vary considerably depending on the particular business and typically are excluded when calculating the free cash flow from a Franchise's operation.

9. **“Net Profits”** for a particular Franchise is the Gross Revenue minus the Franchise Fees, Personnel Expenses, Chemicals & Supplies, Fuel, Insurance, and Miscellaneous Expenses for that Franchise. Each Franchise may incur additional expenses, including, interest, taxes, depreciation, and amortization. For the median in this row, this data point represents the median Net Profits, it is sum of the medians for the Gross Revenues minus the medians of each category of Expenses.

10. **“Net Profits %”** for a particular Franchise is the percentage that the Net Profits for that Franchise constitutes of the Franchise's Gross Revenues. For the median in this row, this data point represents the median Net Profits %.

11. Characteristics of the Included Franchises that may differ materially from your Franchise: (a) you may have additional expenses and your expenses could be higher in the future depending on inflation and other factors; (b) you may pay your principals and management team more; (c) your area may have greater competition and may be smaller; (d) you may have less business and management experience; (e) you may have greater debt service obligations; (f) the Included Franchises have been operating longer than your Franchise; and (g) your local market conditions may be different and labor costs may be higher.

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

**Some outlets have earned this amount. Your individual results may differ. There is no assurance you'll earn as much.**

We have assumed the information provided by our franchises is accurate; we prepared the information in the table from information provided by our franchisees.

Other than the preceding financial performance representation, we do not make any financial performance representations. 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 our management by contacting Kyle Mason at 921 Empire Mesa Way, Henderson, Nevada 89011, telephone: (559) 275-5698, the Federal Trade Commission and the appropriate state agencies.

**ITEM 20**  
**OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1 -- Systemwide Outlet Summary  
for Years 2020, 2021 and 2022**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
Franchised	2020	31	36	+5
	2021	36	40	+4
	2022	40	42	+2
Company-Owned	2020	6	4	-2
	2021	4	9	+5
	2022	9	8	-1
<b>Total Outlets</b>	<b>2020</b>	<b>37</b>	<b>40</b>	<b>+3</b>
	<b>2021</b>	<b>40</b>	<b>49</b>	<b>+9</b>
	<b>2022</b>	<b>49</b>	<b>50</b>	<b>+1</b>

**Table No. 2 -- Transfers of Outlets from Franchisees to New Owners  
(other than the Franchisor)  
for Years 2020, 2021 and 2022**

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
Georgia	2020	0
	2021	0
	2022	0
Idaho	2020	0
	2021	0
	2022	0
Missouri	2020	1
	2021	0
	2022	0
Oklahoma	2020	0
	2021	0
	2022	0
Tennessee	2020	0
	2021	0
	2022	0
Texas	2020	0
	2021	3
	2022	2
Totals	<b>2020</b>	<b>1</b>
	<b>2021</b>	<b>3</b>
	<b>2022</b>	<b>2</b>



**Table No. 3 – Status of Franchised Outlets  
for Years 2020, 2021 and 2022**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations (other reasons)	Outlets at End of the Year
Alabama	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Arizona	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
California	2020	0	0	0	0	0	0	0
	2021	0	2	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Colorado	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Connecticut	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Florida	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Georgia	2020	3	0	0	0	1	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	1	1
Idaho	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	1	0	0
	2022	0	0	0	0	0	0	0
Illinois	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Indiana	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	1	0
	2020	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations (other reasons)	Outlets at End of the Year
Louisiana	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Missouri	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Nevada	2020	1	0	0	0	1	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
New Jersey	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	1	0	0
North Carolina	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Ohio	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Oklahoma(1)	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	1	0	1
Oregon	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Pennsylvania	2020	0	2	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	1	0	1
South Carolina	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Tennessee	2020	2	0	0	0	0	0	2
	2021	2	1	0	0	0	0	3
	2022	3	2	0	0	0	0	5
Texas	2020	10	1	0	0	0	0	11
	2021	11	0	0	0	2	0	9

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations (other reasons)	Outlets at End of the Year
	2022	9	1	0	0	1	0	9
Virginia	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	1	0	0	0	0	3
Washington D.C.	2020	0	1	0	0	0	0	1
	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Washington	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Wisconsin	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Total	2020	31	7	0	0	2	0	36
	2021	36	7	0	0	3	0	40
	2022	40	8	0	0	4	2	42

(1) In Oklahoma, one franchised unit was reacquired by us in June 2022 and resold to another franchisee in December 2022.

**Table No. 4 – Status of Company-Owned Outlets for Years 2020, 2021 and 2022**

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
Alabama	2020	0	0	0	0	0	0
	2021	0	1	0	0	0	1
	2022	1	0	0	0	1	0
Arizona	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
California	2020	0	0	0	0	0	0
	2021	0	2	0	0	2	0
	2022	0	0	0	0	0	0

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
Colorado	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
Florida	2020	2	0	0	1	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Idaho	2020	0	0	0	0	0	0
	2021	0	0	1	0	0	1
	2022	1	0	0	0	0	1
Illinois	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
Louisiana	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
Nevada	2020	0	0	1	0	0	1
	2021	1	1	0	0	0	2
	2022	2	0	0	0	1	1
New Jersey	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	1	0	0	1
New Mexico	2020	2	0	0	2	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
North Carolina	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
Ohio	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
Oklahoma(1)	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	1	0	1	0
Pennsylvania	2020	0	0	0	0	0	0

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
	2021	0	0	0	0	0	0
	2022	0	0	1	0	0	1
Tennessee	2020	1	1	0	0	0	2
	2021	2	1	0	0	1	2
	2022	2	0	0	0	1	1
Texas	2020	1	0	0	0	1	0
	2021	0	0	2	0	0	2
	2022	2	0	1	0	1	2
Virginia	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
<b>Total</b>	<b>2020</b>	<b>6</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>4</b>
	<b>2021</b>	<b>4</b>	<b>5</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>9</b>
	<b>2022</b>	<b>9</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>5</b>	<b>8</b>

(1) In Oklahoma, one franchised unit was reacquired by us in June 2022 and resold to another franchisee in December 2022.

**Table No. 5 – Projected Openings as of December 31, 2022 for 2023**

STATE (1)	FRANCHISE AGREEMENTS SIGNED BUT FRANCHISE NOT OPEN	PROJECTED NEW FRANCHISES IN NEXT FISCAL YEAR	PROJECTED NEW COMPANY - OWNED UNITS IN NEXT FISCAL YEAR
California	0	1	0
Florida	0	1	0
Kentucky	0	0	1
Ohio	0	1	0
Massachusetts	0	1	0
<b>Total</b>	<b>0</b>	<b>4</b>	<b>1</b>

(1) Includes commitments to enter into Franchise Agreements pursuant to Area Development Agreements. **We have no developers as of the date of this Disclosure Document.**

The current addresses and contact information of our franchised Fleet Clean Businesses are listed on **Exhibit L-1**. All such Fleet Clean Businesses have commenced operations as of the date of this Disclosure Document.

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 are provided in **Exhibit L-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**

Attached to this Disclosure Document as **Exhibit M** are our audited balance sheet as of December 31, 2022 and December 31, 2021 and related statements of operations, member's equity, and cash flows for December 31, 2022, December 31, 2021 and December 31, 2020. Our fiscal year ends on December 31.

Also included as **Exhibit M** is our balance sheet dated April 30, 2023 and profit and loss statement from January 1, 2023 to April 30, 2023. 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 **Exhibit I**)
  - b. Attachment 2-1 – Lease Assignment Agreement
  - c. Attachment 2-2 – Use and Occupancy Agreement
  - d. Attachment 3 – Revolving Credit Agreement (with Note)
6. **Exhibit G** - Software License Agreement
7. **Exhibit H** - Equipment Sales Agreement
8. **Exhibit I** - Secured Promissory Note
9. **Exhibit K** - State Specific Addenda and Riders
10. **Exhibit N** - 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 for 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:

<b>State</b>	<b>State Administrator</b>	<b>Agent for Service of Process (if different from State Administrator)</b>
California	<p>Department of Financial Protection and Innovation</p> <p><i>Los Angeles</i> 320 West 4<sup>th</sup> Street Suite 750 Los Angeles, CA 90013-2344 (213) 576-7500</p> <p><i>Sacramento</i> 2101 Arena Blvd.  Sacramento, CA 95834 (916) 445-7205</p> <p><i>San Diego</i> 1350 Front Street, Room 2034 San Diego, CA 92101-3697 (619) 525-4233</p> <p><i>San Francisco</i> One Sansome Street, Suite 600 San Francisco, CA 94104-4428 (415) 972-8565 <a href="http://www.dfpi.ca.gov">www.dfpi.ca.gov</a> Ask,DFPI@dfpi.ca.gov</p>	
Hawaii	<p>Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities P.O. Box 40 Honolulu, Hawaii 96810 (808) 586-2744</p>	<p>Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813</p>

<b>State</b>	<b>State Administrator</b>	<b>Agent for Service of Process (if different from State Administrator)</b>
Illinois	Franchise Bureau Office of Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	
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  85 7 <sup>th</sup> Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600	Minnesota Commissioner of Commerce Department of Commerce 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, Minnesota 55101-2198 (651) 539-1600
New York	NYS Department of Law Investor Protection Bureau Franchise Section 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222 Phone (212) 416-6042 Fax	New York Secretary of State One Commerce Plaza, 99 Washington Avenue, 6 <sup>th</sup> Floor Albany, NY 12231-0001 (518) 473-2492

State	State Administrator	Agent for Service of Process (if different from State Administrator)
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
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 Bldg. 69, First Floor John O. Pastore Center 1511 Pontiac Avenue  Cranston, RI 02920-4407 (401) 462-9527  (Mail should be sent to: Rhode Island DBR– Securities Division 1511 Pontiac Avenue Building 68-2 Cranston, RI 02920)	
South Dakota	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 (605) 773-4823	
Virginia	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 1st Floor Richmond, VA 23219

<b>State</b>	<b>State Administrator</b>	<b>Agent for Service of Process (if different from State Administrator)</b>
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 FW Fleet Clean, LLC (“**Franchisor**”). Amounts paid to Franchisor shall then be distributed to Service Provider in the manner provided under Service Provider’s FW Fleet Clean 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.

**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 vehicle 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. Indemnification; Limit on Liability.** 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. Status of Relationship.** 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 "FLEETWASH" or "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. Fleet Clean Franchise Agreement with Franchisor. As such, amounts paid by Kept Co. are likely to be subject to royalties, advertising 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. Fleet Clean 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 all 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  
Compliance Officer

SERVICE PROVIDER

By: \_\_\_\_\_  
*[insert name and title]*

For purposes of Section 5:

By \_\_\_\_\_  
*[insert name]*, individually

**Attachment 1**

to

Kept Co. Services Program Agreement

**KEPT CO. SERVICES PROGRAM RIDER TO FRANCHISE AGREEMENT**

By signing below, FW Fleet Clean, LLC agrees that, for a period of \_\_\_\_ months after the date hereof, the following fees shall be reduced under \_\_\_\_\_'s FW Fleet Clean Franchise Agreement dated \_\_\_\_\_ in connection with revenue paid by Kept Companies, Inc. under the foregoing Service Agreement:

(a) [detail]

After \_\_ months, FW Fleet Clean, LLC may charge fees in full in accordance with the terms of the Franchise Agreement.

FW FLEET CLEAN, LLC

By \_\_\_\_\_  
Lorraine Matarazzo, Chief Administrative Officer

**Attachment 2**

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” or “Fleetwash” customer accounts identified on Schedule 1 (the “Kept Companies Accounts”) and accepts the right and the obligation to perform fleet cleaning 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, FW Fleet Clean, 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 Fleet Wash 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**



**FW FLEET CLEAN, 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:

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

5. **Territory (Section 1.1):** [attach map if necessary] \_\_\_\_\_  
\_\_\_\_\_

6. **Initial Franchise Fee (Section 4.1):** \$ \_\_\_\_\_

7. **Operating Principal (Section 5.6):** \_\_\_\_\_

8. **Franchisee's Address for Notices (Section 20):** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

9. **Additional Terms** *(if any)*: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Initials: \_\_\_\_\_(FW FLEET CLEAN, 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 **FW FLEET CLEAN, LLC**, a Delaware limited liability company with its principal place of business at 921 Empire Mesa Way, Henderson, Nevada 89011 (“**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 owns a format and system (the “**System**”) relating to the establishment, development and operation of “Fleet Clean” franchises (“**Franchises**”) that offer mobile, on-site, commercial vehicle cleaning and related services under the Marks (as defined below) using specially equipped Fleet Clean service vehicles (the “**Vehicles**”).

B. The distinguishing characteristics of the System include, without limitation, distinctive business formats; procedures; the Manual (as defined in **Section 3.5**); the Vehicles; procedures for operations, accounting, collections, management and inventory control; initial and ongoing certification programs and assistance; and advertising and promotional programs; all of which may be changed, improved, and further developed by Franchisor from time to time;

C. Franchisor identifies the System by mark Fleet Clean® 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 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; and

E. Franchisee desires to operate a Franchise under the System and using the Marks, and wishes to obtain a License (as defined) from Franchisor for that purpose, as well as to receive the assistance provided by Franchisor in connection therewith;

NOW, THEREFORE, the parties agree as follows:

### 1. GRANT

1.1. Grant of Rights. 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 specializes in providing mobile, on-site, commercial vehicle cleaning, related services and other services approved by Franchisor from time to time (the “**Services**”) within the geographic area described on the Summary Page (the “**Territory**”). Franchisee hereby accepts the License and will operate a Franchise in accordance with this Agreement during the entire initial term of the License (as specified in **Section 2.1**).

1.2. Territorial Protections. Except as expressly provided in **Section 1.3**, if Franchisee is in full compliance with this Agreement, Franchisor and its affiliates will not operate a mobile, on-site, commercial vehicle cleaning business under the Marks in the Territory, nor grant

a third party a license to operate a mobile, on-site, commercial vehicle cleaning business under the Marks in the Territory. Except as provided in the first sentence of this Section, (a) this Agreement does not grant any territorial rights, radius restrictions, or protected area; and (b) 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, Franchisor and its affiliates reserve the right to:

1.2.1. operate mobile, on-site, commercial vehicle cleaning business, any business engaged in by Franchisee hereunder or any other business under the Marks outside of the Territory and grant third parties the right or license to operate mobile, on-site, commercial vehicle cleaning businesses under the Marks outside of the Territory;

1.2.2. operate, and permit third parties to operate, mobile, on-site, commercial vehicle cleaning business, any business engaged in by Franchisee hereunder or any other business under marks other than the Marks anywhere, including, without limitation, mobile, on-site, commercial vehicle cleaning businesses that operate under the marks FLEETWASH or KEPT COMPANIES, even if such businesses are competitive with the Franchise;

1.2.3. sell and distribute, and license others to sell and distribute, products and services bearing the Marks or other marks through other channels of distribution including, without limitation, the Internet, catalogs, or fixed-location (i.e., not mobile) vehicle cleaning businesses anywhere; and

1.2.4. 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.

1.3. Reservations. Notwithstanding anything to the contrary in **Section 1.2**, Franchisee acknowledges and agrees that this Agreement does not grant any territorial rights, radius restrictions, or protected area, except as expressly the first sentence of this Section.

1.3.1. for accounts in the Territory that Franchisee has purchased (each, a "**Transferred Account**") 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), Franchisor and its affiliates may provide services to, or authorize third parties to provide services to, such Transferred Accounts if Franchisee loses the right to provide services for the Transferred Account as provided in the Account Transfer Agreement or Company-Owned Business Purchase Agreement, as applicable.

1.3.2. for all other Accounts, Franchisor and its affiliates may provide Services to, or authorize third parties to provide Services to, a customer in the Territory under the Marks or other marks if (a) Franchisor determines, in its reasonable discretion, that Franchisee does not have the capacity to meet such customer requirements due to a lack of sufficient Vehicles and/or personnel; (b) Franchisee has engaged in misconduct with respect to such

customer, as determined in Franchisor's reasonable discretion, which includes, without limitation, faulty workmanship, providing services in a manner that is reasonably unsatisfactory, missing scheduled vehicle cleaning appointments for a customer on two or more occasions, fraud, theft, 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, and repeated violations of the service contract with Franchisee's customer; or (c) the account is a National Account Customer.

1.4. 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, trade areas or market areas nearby or 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 reside; provided, however, Franchisee may not perform Services outside of the Territory, except as expressly provided in **Section 1.5** below.

1.5. Sale of Products and Services. Unless otherwise permitted by Franchisor, Franchisee shall offer and sell only products and services previously authorized by Franchisor using Vehicles, only within the Territory, and 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. Franchisee shall not perform Services in the protected territory of another Fleet Clean franchisee or in any territory outside of the Territory unless expressly approved by Franchisor in writing in advance. Franchisee may perform Services for customers located outside of the Territory provided (a) Franchisee has submitted to Franchisor a written request to provide Services for such customer giving the name of the customer and its location; and (b) Franchisor has approved such request in writing. Franchisor may at any time revoke its approval effective upon giving written notice of the same to Franchisee.

## 2. TERM AND SUCCESSOR TERMS

2.1. 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.

2.2. 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:

2.2.1. 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;

2.2.2. 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);

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

2.2.4. From the time of Franchisee's election to enter into a successor term through the expiration of the current term, Franchisee and its affiliates shall not have been in default of any provision of 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**"); and

2.2.5. Franchisee and its affiliates must have substantially complied with each term and condition of this Agreement, such other agreements, as well as the Brand Standards (as defined in **Section 5.9**) prescribed by Franchisor;

2.2.6. Franchisee must have satisfied all monetary obligations to Franchisor and its affiliates, and must have timely met those obligations throughout the term of this Agreement, with time being of the essence;

2.2.7. 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). 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;

2.2.8. 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;

2.2.9. Franchisee and its owners shall 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;

2.2.10. 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

2.2.11. Franchisee shall have met the Minimum Performance Criteria as set forth in **Section 5.22**.

### 3. FRANCHISOR'S DUTIES

3.1. 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, 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.

3.2. Initial Certification Program; Refresher Programs. Franchisor shall provide for Franchisee's Operating Principal (as defined in **Section 5.6**) and Manager (as defined in

**Section 5.6**), 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 shall also provide additional refresher certification programs or new certification programs as it may, from time to time, deem appropriate. Franchisor shall be responsible for the cost of providing certification instruction and materials, subject to **Section 5.6**.

3.3. 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. Franchisee acknowledges that compliance with any federal, state or local law, code or regulation (including without limitation those concerning the Americans with Disabilities Act (the “**ADA**”) or similar rules governing public accommodations of commercial facilities for persons with disabilities), shall be Franchisee’s responsibility and at Franchisee’s expense.

3.4. Opening Assistance.

3.4.1. 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.

3.4.2. 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.

3.5. Manuals. Franchisor shall provide Franchisee access to the confidential operations manuals (which may include technical bulletins, and other written materials (collectively the “**Manuals**”), as more fully described in **Section 7**.

3.6. Advertising and Promotion. Franchisor shall review, and may approve or disapprove, all advertising and promotional materials that Franchisee proposes to use pursuant to **Section 10.6**. In addition, Franchisor shall provide Franchisee with such other advertising assistance, sales advice, or related materials as Franchisor deems advisable.

3.7. System Advertising Fund. Franchisor may establish and administer a System-wide advertising, marketing, promotional, and creative fund, which is referred to as the “**Advertising Fund**”, or such other name as Franchisor may designate, in the manner set forth in **Section 10.1**.

3.8. Invoicing and Payment Processing; Advance Assurance Program

3.8.1. Franchisee hereby purchases invoicing and payment processing services from Franchisor as provided herein. Franchisor shall invoice Franchisee’s customers

amounts due on a weekly basis, unless Franchisor considers a different interval appropriate, based on statements and other information provided by Franchisee.

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

3.8.3. Franchisor shall process payments received from Franchisee's customers and 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.

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

3.8.5. 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.

3.8.6. Franchisee agrees that Franchisor shall have the exclusive responsibility to submit invoices to Franchisee's customers, unless otherwise agreed in writing by Franchisor. Any violation of this provision is a material breach of this Agreement.

3.8.7. 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 Fleet Clean 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 Operations Manual. 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 2% 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.

3.9. 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 Fleet Clean franchisees, the corporate 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 “**Technology System**”). Franchisor may also designate: (i) software programs that Franchisee must use in connection with the Technology System (“**Required Software**”), which Franchisee shall install; (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. Currently, Franchisee must license the myFC proprietary software pursuant to the Software License Agreement with us (the “**Software License Agreement**”).

3.10. 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. ROYALTY FEES; SALES REPORTING

4.1. 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 5.6** as provided herein. If Franchisor terminates this Agreement due to any failure to successfully complete the initial certification program pursuant to **Section 5.6**, 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.

4.2. 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, less refunds. “**Gross Revenue**” also includes the fair market value of any services or products received by the Franchisee in barter or in exchange for Franchisee’s services and products.



4.2.1. 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**”).

4.2.2. All payments required by this Agreement to Franchisor, its affiliates, and/or the Advertising Fund must be made by the method or methods that Franchisor specifies from time to time, which may include, without limitation, payment by deduction as specified in **Section 3.8**, 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.

4.2.3. Franchisee expressly acknowledges and agrees that Franchisee’s obligations for the full and timely payment of Royalty Fees, Advertising Fund Contributions (as defined in **Section 10.2**) and/or Market Cooperative Contributions (as defined in **Section 10.2**), 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 Advertising 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, Advertising Fund Contributions or Market Cooperative Contributions, nor withhold or delay submission of any reports due hereunder.

4.3. Overdue Payments. 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.

4.4. 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.

4.5. 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.

## 5. FRANCHISEE’S DUTIES

5.1. 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:

5.1.1. 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.**

5.1.2. 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.

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

5.1.3.1. 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.

5.1.3.2. 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.

5.1.3.3. 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.

5.1.3.4. 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.

5.1.3.5. 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.

5.1.3.6. 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.

5.1.4. 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.

5.1.5. 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.

5.1.6. In addition to the maintenance obligations set forth in 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.

5.1.7. 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.

## 5.2. Vehicles.

5.2.1. 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.

5.2.2. 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 "**Fleet Clean Proprietary Box and Equipment**"). The Fleet Clean 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.

5.2.3. Each flat-bed chassis may be purchased from any source if it meets Franchisor's 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.

5.2.4. 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.

5.2.5. 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 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 as Franchisor may reasonably direct and pursuant to such standards, specifications and deadlines as Franchisor may specify.

5.3. System Standards. Franchisee understands and acknowledges that every detail of the Franchise 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.

5.4. 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:

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

5.4.2. 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 such 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.

5.4.3. 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.

5.4.4. 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.

5.4.5. Franchisee has obtained a sufficient number of Vehicles in compliance with **Section 5.2**.

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

5.5. 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**.

5.6. 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.

5.6.1. 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. 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, travel costs, room and board expenses and salaries and other benefits, 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, reasonable travel and room and board expenses. 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.

5.6.2. 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, travel costs, room and board expenses and salaries and benefits, shall be the sole responsibility of Franchisee.

5.6.3. 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.

5.7. 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.

5.8. Equipment Upgrades. Franchisee shall make, from time to time, such upgrades and other changes to the electronic equipment utilized in the Franchise, the Technology System and Required Software 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.

5.9. 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:

5.9.1. 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.

5.9.2. maintaining in sufficient supply, using, offering and selling at all times 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.

5.9.3. offering and selling only such products as have been expressly approved for sale in writing by Franchisor;

5.9.4. offering all products and services as Franchisor may specify from time to time as required offerings at the Franchise; offering all products authorized for sale as specified by Franchisor;

5.9.5. 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;

5.9.6. discontinuing the sale of any products or services which Franchisor has disapproved, in writing, at any time;

5.9.7. operating the Franchise in compliance with all applicable laws and regulations;

5.9.8. requirements relating to response times with respect to corporate communications and attending regular teleconferences and meetings;

5.9.9. requirements relating to response times for customer communications including customer service inquiries and complaints;

5.9.10. warranties and customer service standards;

5.9.11. 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).

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.

5.10. 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 **Section 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.

5.11. 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 a supplier who 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, 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.

5.11.1. 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 reasonable fee charge 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.

5.11.2. 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 Advertising Fund for future use and expenditures by the Advertising Fund.

5.11.3. 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.

5.12. Inspections. Franchisee grants Franchisor and its agents the right to enter upon the Franchise Location premises (if applicable) 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 travel expenses and room and board of 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.

5.13. Technology System. At Franchisor's request, Franchisee shall purchase or lease, and thereafter maintain, the Technology System and Required Software, and Franchisee shall enter into all licenses or agreements and pay such licensing fees as necessary for Franchisee to obtain the rights to use the Technology System and Required Software. 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 and the Required Software 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, the Required Software 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 other cash registers or computer systems in the Franchise.

5.14. 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.

5.15. Participation in Promotions and Incentive Programs. Franchisee shall participate in promotional programs developed by Franchisor for the System, in the manner directed by Franchisor in the Manuals or otherwise in writing.

5.16. 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.

5.17. Franchisee Structure.

5.17.1. Except as otherwise approved in writing by Franchisor, if Franchisee is a corporation, 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 articles or certificates of incorporation and bylaws, 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 securities and shall only issue securities 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 voting securities or securities convertible into voting securities; and (v) maintain a current list of all owners of record and all beneficial owners of any class of voting stock of Franchisee and furnish the list to Franchisor upon request, which list shall be amended to reflect changes in ownership, as permitted under this Agreement.

5.17.2. If Franchisee is a partnership or limited liability partnership 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 its partnership agreement as well as such other documents as Franchisor may reasonably request, and any amendments thereto; (iii) prepare and furnish to Franchisor, upon request, a current list of all general and limited partners in Franchisee, which list shall be amended to reflect changes in ownership, as permitted under this Agreement; and (iv) maintain stop transfer instructions on its records and in its partnership agreement against the transfer of partnership interests and equity securities, and shall only issue securities or partnership interests with documentation which bears a notice or legend, in a form satisfactory to Franchisor, which references the transfer restrictions imposed by this Agreement.

5.17.3. If a Franchisee is a limited liability company, Franchisee 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 articles of organization and operating agreement, as well as such other documents as Franchisor

may reasonably request, and any amendments thereto; (iii) prepare and furnish to Franchisor, upon request, a current list of all members and managers in Franchisee, which list shall be amended to reflect changes in ownership, as permitted under this Agreement; and (iv) maintain stop transfer instructions on its records against the transfer of equity securities and shall only issue securities upon the face of which bear a legend, in a form satisfactory to Franchisor, which references the transfer restrictions imposed by this Agreement.

5.18. Guarantee of Performance. Each present and future: (i) shareholder of a corporate Franchisee; (ii) member of a limited liability company Franchisee; (iii) partner of a partnership Franchisee; or (iv) partner of a limited liability partnership Franchisee; 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.

5.19. 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, equipment and furnishings and new techniques and methodologies relating to the sale, promotion and marketing of products and services, and new 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.

5.20. 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.

5.21. 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 (as defined). A "**National Account Customer**" includes a customer that (a) is operated from two or more offices or facilities ("**National Account Facilities**") that are not exclusively located within a single Fleet Clean location's territory, and (b) 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 (i) customers of 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 (ii) Transferred Account customers. 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.

5.21.1. Franchisor and/or its affiliates alone shall negotiate and establish the terms and pricing for all National Account Customers. 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.

5.21.2. For National Account Customers that are customers of Franchisor which 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. 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 provided the National Account Customer is not a FC-Provided Account or a Kept Co. Service Program Account. Notwithstanding anything to the contrary contained herein, if the National Account is an FC-Provided Account, Franchisee may lose the right to provide Services to such FC-Provided Account only as provided in the National Account Service and Acceptance Agreement, and 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 agreement between Franchisee and Kept Co.

5.21.3. Franchisor alone may invoice and collect fees and payments due from National Account Customers, with the exception of Kept Co. Service Program Accounts, and Franchisee agrees that it will not engage in any of these activities. Kept Co. alone may invoice and collect fees and payments due from Kept Co. Service Program Accounts. Payments from Kept Co. for Kept Co. Service Program Accounts shall be billed to Kept Co. in accordance with **Section 3.8**.

5.21.4. 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**.

5.21.5. 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. Franchisor’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.

5.22. 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**”):

5.22.1. During the first Performance Year, Franchisee’s average weekly Gross Revenue invoiced for Services performed by Franchisee for customers in the Territory must equal or exceed \$4 per each 1,000 people residing in the Territory;

5.22.2. During the second Performance Year, Franchisee’s average weekly Gross Revenue invoiced for Services performed by Franchisee for customers in the Territory must equal or exceed \$5 per each 1,000 people residing in the Territory;

5.22.3. During the third Performance Year, Franchisee’s average weekly Gross Revenue invoiced for Services performed by Franchisee for customers in the Territory must equal or exceed \$6 per each 1,000 people residing in the Territory;

5.22.4. During the fourth Performance Year, Franchisee’s average weekly Gross Revenue invoiced for Services performed by Franchisee for customers in the Territory must equal or exceed \$7 per each 1,000 people residing in the Territory; and

5.22.5. 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 for customers in the Territory 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 5.22** 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 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.

5.23. 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 Fleet Clean annual brand convention regardless of whether Franchisee attends such annual brand convention. Franchisor may charge Franchisee the attendance fee for Fleet Clean’s annual brand convention. Franchisee is responsible for all travel and living expenses of attending any such meeting or convention. Franchisee shall not permit the Operating Principal to fail to attend any annual brand convention or more than three consecutive required in-person or remote meetings. Any failure to comply with this Section shall be a material breach of this Agreement.

## 6. PROPRIETARY MARKS

6.1. Ownership of the Marks. Franchisor represents that it is the owner of all right, title and interest in and to the Marks.

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

6.2.1. Franchisee shall use only the Marks designated by Franchisor and shall use them only in the manner authorized and permitted by Franchisor.

6.2.2. Franchisee shall use the Marks only for the operation of the Franchise.

6.2.3. Unless Franchisor otherwise directs Franchisee, in writing to do so, Franchisee shall operate and advertise the Franchise only under the name "Fleet Clean" or the name listed on the Summary Page to this Agreement.

6.2.4. 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.

6.2.5. 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 Franchisor's rights.

6.2.6. Franchisee shall not use the Marks to incur any obligation or indebtedness on behalf of Franchisor.

6.2.7. Franchisee shall not use the Marks or any variant thereof as part of its corporate or other legal name, or as part of any e-mail address, domain name, or other identification of Franchisee in any electronic medium.

6.2.8. Franchisee shall execute any documents deemed necessary by Franchisor to obtain protection for the Marks or to maintain their continued validity and enforceability.

6.2.9. 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 Franchisor's ownership of, or Franchisee's right to use, the Marks licensed hereunder. Franchisee acknowledges that Franchisor has the exclusive right to direct and control any administrative proceeding or litigation involving the Marks, including any settlement thereof. Franchisor 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 Franchisor 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 Franchisor, be necessary to carry out such defense or prosecution, including, but not limited to, becoming a nominal party to any legal action.

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

6.3.1. The Marks are valid, owned by Franchisor, and serve to identify the System and those who are authorized to operate under the System.

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

6.3.3. 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.

6.3.4. Any and all goodwill arising from Franchisee's use of the Marks shall inure solely and exclusively to Franchisor'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.

6.3.5. The License of the Marks is nonexclusive, and Franchisor thus has and retains the rights, among others to use the Marks itself 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.

6.3.6. Franchisor reserves the right to substitute different proprietary 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 proprietary marks will be beneficial to the System. In such circumstances, Franchisee shall implement, at Franchisee's expense, such substituted proprietary marks in such ways as Franchisor may direct, and the use of the substituted proprietary marks shall be governed by the terms of this Agreement.

## 7. CONFIDENTIAL OPERATING MANUALS

7.1. 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, video and/or audio tapes and files, computer disks, and other electronically stored data. Franchisee acknowledges and agrees that Franchisor may provide a portion or all of the Manuals (including updates and amendments), and other instructional information and materials in, or via, electronic media, including without limitation, through the Internet.

7.2. 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.

7.3. Protection of the Manuals. The Manuals shall remain the sole property of Franchisor and shall at all times be kept in a secure manner at the Franchise premises. Franchisee shall ensure that the Manuals are kept current and up to date; and, 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 at Franchisor's home office shall be controlling.

7.4. Revisions to the Manuals. Franchisor may from time to time revise the contents of the Manuals, and Franchisee expressly agrees to make corresponding revisions to its copy (to the extent Franchisor permits Franchisee to maintain a written copy) of the Manuals and to comply with each new or changed standard immediately upon receipt of such revision.

## 8. CONFIDENTIAL INFORMATION

8.1. 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.

8.2. Irreparable Injury. Franchisee acknowledges that any failure to comply with the requirements of this **Section 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 **Section 8**.

8.3. 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 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 shall have no obligation to make any payments to Franchisee with respect to any of the foregoing.



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. ACCOUNTING AND RECORDS

9.1. 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.

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

9.2.1. 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.

9.2.2. 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.

9.3. Reporting Requirements. Franchisee shall also submit to Franchisor in addition to the Sales Reports required pursuant to **Section 4.2**, 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, including, without limitation, via computer diskette, 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 9.3** 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.

9.4. 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, travel, room and board and salaries and other benefits, 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.

9.5. 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 9.5** 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.

## 10. 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:

10.1. Approvals. 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.

10.2. Advertising Contributions and Expenditures. Franchisor reserves the right to require that Franchisee, during each calendar month, spend and/or contribute on advertising and promotion amounts, which, in the aggregate, of up to 4.5% of Franchisee's Gross Revenue to advertise and to promote the Franchise (together, "**Advertising Obligations**"). Advertising Obligations shall be in any or all of the following forms, and 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 paid to the Advertising Fund ("**Advertising Fund Contributions**") established under **Section 10.3** and (ii) contributions paid to any Market Cooperative ("**Market Cooperative Contributions**"), as may be established pursuant to **Section 10.4**.

10.2.1. 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 4.5% of Gross Revenue), including any change in the manner in which Advertising Obligations are allocated among Advertising Fund Contributions and the Market Cooperative Contributions. Franchisor shall not increase Advertising Obligations by more than 1% in any 365-day period.

10.2.2. Franchisee shall pay required Advertising Fund Contributions and Market Cooperative Contributions in the manner required under **Section 4** (or as otherwise provided in this **Section 10**).

10.2.3. For all company-owned Franchises, Franchisor shall contribute to the Advertising Fund and Market Cooperatives on the same basis as franchisees.

10.2.4. Advertising Obligations shall be in addition to any advertising, marketing, or promotional payments, contributions, or actions required under the Lease for the Franchise.

10.3. Advertising Fund. The following provisions shall apply to the operation of the Advertising Fund:

10.3.1. 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 Advertising 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 Advertising 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 Advertising Fund.

10.3.2. The Advertising Fund, all contributions thereto, and any earnings thereon, shall be used exclusively (except as otherwise provided in this **Section 10.3**) to meet any and all costs of 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 programs; the creative development of, and actual production associated with, premium items, give-aways, promotions, contests, public relation events, and 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 "Fleet Clean" 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 marketing activities. The Advertising 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.

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

10.3.4. The Advertising 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 Advertising Fund or for any other reason. A statement of the operations of the Advertising 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.

10.3.5. Although the Advertising Fund is intended to be of perpetual duration, Franchisor maintains the right to terminate the Advertising Fund. The Advertising Fund shall not be terminated, however, until all monies in the Advertising Fund have been expended for advertising and/or promotional purposes.

10.4. 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:

10.4.1. Each Market Cooperative shall be organized (including but not limited to bylaws and other organic 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 Fleet Clean business that Franchisor 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.

10.4.2. 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.

10.4.3. 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**.

10.4.4. Each Market Cooperative may require its members to spend and/or contribute on advertising and promotion amounts of 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.

10.4.5. 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.

10.5. Promotional Materials and Marketing Assistance. Franchisor shall 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.

10.6. 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.

10.7. 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 defined below) 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**. 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 Fleet Clean Website. Franchisee may not establish or participate in any Fleet Clean related blog or other discussion forum. 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**.

10.8. Limitations on Associations with the Marks. Franchisee acknowledges and agrees that 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 Fleet Clean 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 Fleet Clean 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.

## 11. INSURANCE

11.1. 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 or other facilities on the premises, or by reason of the construction, operation, or occupancy of the Franchise or other facilities on premises. 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:

11.1.1. 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.

11.1.2. 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.

11.1.3. 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.

11.1.4. 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.

11.1.5. 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.

11.1.6. Any other insurance coverage that is required by federal, state, or municipal law.

11.2. 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.

11.3. 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.

11.4. Construction and Remodeling Insurance. In connection with all significant construction, reconstruction, or remodeling of the Franchise 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**.

11.5. 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**.

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

11.7. 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.

11.8. 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.

11.9. 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.

## 12. TRANSFER OF INTEREST

12.1. 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.

12.2. Principals. If Franchisee is an entity, each person or entity that is an owner of, or has an ownership interest in, Franchisee (each, a "**Principal**"), 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 attached to this Agreement, 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. Franchisor shall have the right to designate any person or entity which owns a direct or indirect interest in Franchisee as a Principal, and the Summary Page shall be so amended automatically upon notice thereof to Franchisee.

12.3. 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:

12.3.1. 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**.

12.3.2. If Franchisee is a corporation or limited liability company, Franchisee shall not, without the prior written consent of Franchisor, issue any voting securities or securities convertible into voting securities, and the recipient of any such securities shall become a Principal under this Agreement, if so designated by Franchisor.

12.3.3. 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.

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

12.4. 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, or 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**):

12.4.1. 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.

12.4.2. 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.

12.4.3. 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.

12.4.4. 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.

12.4.5. 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.

12.4.6. 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.

12.4.7. 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.

12.4.8. The transferee's 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).

12.4.9. 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 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.

12.4.10. 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.

12.4.11. The transferor must acknowledge and agree that the transferor shall remain bound by the covenants contained in **Sections 15.2**.

## 12.5. Right of First Refusal.

12.5.1. 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.

12.5.2. 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.

12.5.3. 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.

12.6. 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 **Section 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.

12.7. 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 **Section 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.

12.8. 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.

12.9. Exceptions for Entity Formed Convenience of Ownership. Notwithstanding anything to the contrary in this **Section 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** (the initial certification of new Manager), 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 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.

12.10. No Waiver of Claims. Franchisor's consent to a transfer which is the subject of this **Section 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.

12.11. 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 **Section 12**.

12.12. 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 12.12** 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).

### 13. DEFAULT AND TERMINATION

13.1. 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.

13.2. 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:

13.2.1. Franchisee fails to obtain a Franchise Location and/or open the Franchise as provided in **Sections 5.1** and **5.5**;

13.2.2. Franchisee fails to complete the initial certification program in accordance with **Sections 3.2** and **5.6** of this Agreement;

13.2.3. 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;

13.2.4. Franchisee or any Principal is convicted of a felony or any other crime involving moral turpitude;

13.2.5. 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 Franchisor's interest therein;

13.2.6. The occurrence of any imminent threat or danger to public health or safety results from the operation of the Franchise;

13.2.7. 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**;

13.2.8. Franchisee or any Principal fails to comply with the covenants in **Section 15.2**;

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

13.2.10. 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**;

13.2.11. 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;

13.2.12. Franchisee or any Principal makes any unauthorized or improper use of the Marks or contests the validity of Franchisor's ownership of the Marks or its right to use and to license others to use the Marks;

13.2.13. Franchisee fails to meet the Minimum Performance Criteria set forth in **Section 5.22**; and/or

13.2.14. Any other Franchise Agreement, Area Development Agreement, Software License Agreement or other 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; and/or

13.3. 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.

13.4. 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.

13.5. 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**.

13.6. Damages. In addition to any other claims Franchisor may have (other than claims for lost future Royalty Fees and Advertising 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 Advertising 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**, (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 13.6** are a reasonable approximation of such damages, and are not a penalty.

#### 14. OBLIGATIONS UPON TERMINATION OR EXPIRATION

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

14.1. 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.

14.2. 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 "Fleet Clean" 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, all signs, advertising materials, displays, stationery, forms, and any other articles that display the Marks.

14.3. 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 "Fleet Clean" 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.

14.4. 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.

14.5. 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, and any other identifiers, whether or not authorized by Franchisor, used by Franchisee while operating the Franchise.

14.6. 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.

14.7. 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.

14.8. 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 **Section 14**.

14.9. 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.

14.10. Option to Purchase Furnishings and Equipment. Franchisor shall have the option to purchase from Franchisee any or all of the Vehicles and other vehicles, furnishings, 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 14.10**, 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.

14.11. 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) 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.

14.12. 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.

14.13. 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.

14.14. 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.

## 15. COVENANTS

15.1. 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.

15.2. 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 **Section 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 15.2**, 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:

15.2.1. Divert or attempt to divert any business or customer of the Franchise or of any Fleet Clean location to any competitor if Franchisee or any other Fleet Clean location has provided services for such customer within the prior 12-month period, by direct or indirect inducement or otherwise.

15.2.2. 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 Fleet Clean 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 corporate 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.

15.3. Individual Covenants. Franchisee shall require and obtain execution of covenants similar to those set forth in **Section 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 15.3** shall be in the form provided in **Attachment 3** to this Agreement.

15.4. 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 **Section 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.

15.5. 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.

15.6. 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 **Section 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 **Section 15**.

15.7. 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**.

## 16. TAXES, PERMITS, AND INDEBTEDNESS

16.1. 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 business franchised under this Agreement. 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.

16.2. 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 premises of the Franchise or any Vehicle or other material asset.

16.3. 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.

16.4. 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.

## 17. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

17.1. 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.

17.2. 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.

17.3. 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.

17.4. 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, obligations, and damages (as well as the costs, including

attorneys' fees, of defending against them) arising directly or indirectly from, as a result of, or in connection with Franchisee's operation of the Franchise 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, travel expenses, and other charges, 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 17.4** shall survive the termination or expiration of this Agreement.

## 18. 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: (a) acts of God; (b) acts of war, terrorism, or insurrection; (c) strikes, lockouts, labor actions, boycotts, floods, fires, hurricanes, tornadoes, widespread infectious diseases or epidemics/pandemics, and/or other casualties; (d) 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 (e) legislative changes and/or governmental orders affecting the sale of the products from Franchises. The ability or inability of either party to obtain and/or remit funds shall be considered within control of such party.

## 19. APPROVALS AND WAIVERS

19.1. 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.

19.2. 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.

19.3. 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.

## 20. 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:

FW Fleet Clean, LLC  
921 Empire Mesa Way  
Henderson, Nevada 89011  
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.

## 21. ENTIRE AGREEMENT AND AMENDMENT

This Agreement and the exhibits, schedules, and attachments referred to herein constitute the entire, full, and complete Agreement between us and you 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 us (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.

## 22. SEVERABILITY AND CONSTRUCTION

22.1. 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.

22.2. 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, Franchisor, and such of Franchisee's and Franchisor's respective successors and assigns as may be contemplated (and, as to Franchisee, permitted by **Article 12**), any rights or remedies under or by reason of this Agreement.

22.3. Enforceability of Covenants. 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 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.

22.4. 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.

22.5. Importance of Timely Performance. Time is of the essence in this Agreement.

22.6. 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.

22.7. 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.

## 23. APPLICABLE LAW AND DISPUTE RESOLUTION

23.1. 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 Nevada, 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 Nevada to which this Agreement would not otherwise be subject.

### 23.2. Arbitration.

23.2.1. 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, Nevada 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.

23.2.2. 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, 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.

23.2.3. 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.

23.2.4. 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.

23.2.5. Performance During Arbitration. Franchisor and Franchisee will comply with this Agreement and perform their respective obligations under this Agreement during the arbitration process.

23.2.6. 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).

23.2.7. 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 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.

23.3. 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 its 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 rendered pursuant to **Section 23.2**, in any appropriate jurisdiction.

23.4. 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.

23.5. 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.

23.6. 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 (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.

23.7. 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.

23.8. 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 travel, room and board, salaries and benefits of those employees participating in such proceeding) incurred in connection with such judicial or other proceeding.

## 24. ACKNOWLEDGMENTS

24.1. Acknowledgments. Franchisee acknowledges that it has conducted an independent investigation of Franchise, recognizes that the business venture contemplated by this Agreement involves business risks, and that its success will be largely dependent upon the ability of Franchisee and, if an entity, its owners as independent businesspersons.



24.2. Certain Franchisee Waivers are Void. No statement, questionnaire, or acknowledgement signed or agreed to by Franchisee in connection 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

24.3. Representations and Warranties. Franchisee and its Principals represent and warrant to Franchisor that: (a) 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; (b) 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 (c) 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.

24.4. 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: (a) does not, and hereafter will not, engage in any terrorist activity; (b) are not affiliated with and do not support any individual or entity engaged in, contemplating, or supporting terrorist activity; and (c) 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.

24.5. 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: (a) negotiating and entering into this Agreement; (b) exercising its rights under this Agreement; and/or (c) fulfilling its responsibilities under this Agreement.

24.6. Business Judgment. Franchisee understands and agrees that Franchisor may operate and change the System and its business 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: (a) other reasonable alternative decisions or actions, or even arguably preferable alternative decisions or actions, could have been made by Franchisor; (b) Franchisor’s decision or the action taken promotes Franchisor’s financial or other individual interest; (c) 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 (d) 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.

**IN WITNESS WHEREOF**, the parties hereto have duly signed and delivered this Agreement on the day and year first above written.

**FW FLEET CLEAN, LLC**

By: \_\_\_\_\_  
Lorraine Matarazzo, Chief Administrative Officer

**IF FRANCHISEE IS AN INDIVIDUAL: PLEASE SIGN BELOW.**

\_\_\_\_\_  
[INSERT NAME OF FRANCHISEE]

**IF FRANCHISEE IS A CORPORATION OR LIMITED LIABILITY COMPANY:**

\_\_\_\_\_  
[INSERT YOUR 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

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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 commercial vehicle cleaning 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:

FW Fleet Clean, LLC  
921 Empire Mesa Way  
Henderson, Nevada 89011  
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 Fleet Clean 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: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**Attachment 2**  
to  
Franchise Agreement

**GUARANTEE, INDEMNIFICATION, AND ACKNOWLEDGMENT**

As an inducement to FW FLEET CLEAN, 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 **Sections 8, 12, 14, 15** and **17.4** of the Agreement, and acknowledge and agree that this Guarantee does not grant the undersigned any right to use the “Fleet Clean” 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 **Sections 22 and 23** of the Agreement. This Guarantee shall be interpreted and construed under the laws of the State of Nevada. In the event of any conflict of law, the laws of the State of Nevada shall prevail (without regard to, and without giving effect to, the application of Nevada conflict of law rules). The dispute resolution and arbitration provisions of **Section 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. FW Fleet Clean, LLC, a Delaware limited liability company (“**Franchisor**”) owns a format and system (the “**System**”) relating to the establishment, development and operation of a mobile commercial vehicle cleaning and related services business that operate under the name “Fleet Clean” (or other names designated by Franchisor, the “**Marks**”) and such additional or alternate services and/or products as Franchisor may designate from time to time (each a “**Franchise**”).

B. Franchisor and Franchisee have executed a Franchise Agreement (“**Franchise Agreement**”) granting Franchisee the right to operate a Franchise (the “**Franchise**”) and to produce and distribute products and services approved by Franchisor and use the Marks in connection therewith under the terms and conditions of the Franchise Agreement;

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 knowhow 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 Fleet Clean location to any competitor if Franchisee or any other Fleet Clean location has provided Fleet Clean 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 Franchisor's Marks and the System; or

The "**Restriction Period**" is a period of two years from the date of (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 with Franchisee provided Member is not a consultant or contractor of Franchisee or otherwise involved with Franchisee such that he or she has access to Franchisor's confidential information; 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 vehicle washing and related services to customers who have not in the previous 12 months been serviced by Franchisee or a Fleet Clean location; or (ii) offering to any customers, including customers otherwise serviced under the Marks and System, services that are not similar to the Fleet Clean 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 Fleet Clean 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. Delay. 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.

6. 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.

*[Signature Page to Nondisclosure and Nonsolicitation Agreement]*

**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: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## EXHIBIT D

### DEVELOPMENT AGREEMENT

**THIS DEVELOPMENT AGREEMENT** (the “**Agreement**”) is made and entered into on \_\_\_\_\_ (“**Effective Date**”) by and between **FW FLEET CLEAN, LLC**, a Delaware limited liability company, whose principal place of business is 921 Empire Mesa Way Henderson, Nevada 89011 (“**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, commercial vehicle cleaning and related services (each, a “**Franchise**”);

B. The distinguishing characteristics of the System include, without limitation, distinctive business formats; procedures; the Fleet Clean® 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. Franchisor 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 “**FLEET CLEAN**” 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 (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, 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 Territory**”; collectively, the “**Development Territories**”); 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 Territories set forth in the chart in Paragraph 1 of Attachment 1 (each right to establish and operate a Franchise in a Development Territory 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 operate a mobile, on-site, commercial vehicle cleaning business under the Marks in the Development Territories, nor grant a third party the right or license to operate a mobile, on-site, commercial vehicle cleaning business under the Marks in the Development Territories; provided, however, Franchisor reserves all of the same rights within the Development Territories that it has in the Territory under the First Franchise Agreement.

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 Territories, 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 Territories or eliminate any specific Development Territory; 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 Territory (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

Territories. 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:

FW Fleet Clean, LLC  
921 Empire Mesa Way  
Henderson, Nevada 89011  
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.

## 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 Nevada, 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 Nevada 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, Nevada 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 Acknowledgments. Franchisor expressly disclaims the making of, and Developer acknowledges that it has not received, any warranty or guarantee, express or implied, as to the potential volume, profits, or success of the business venture contemplated by this Agreement.

15.2 Certain Franchisee Waivers Are Void. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection 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.

15.3 Receipt of Documents. Developer acknowledges that it received a complete copy of this Agreement and the exhibits hereto, with all of the blank lines herein filled in, prior to the date on which this Agreement was executed. Developer further acknowledges that it received the Franchise Disclosure Document required by the Federal Trade Commission's Franchise Rule, 16 C.F.R. Part 436, at least 14 days prior to the date on which this Agreement was executed.

15.4 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.

15.5 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: (a) negotiating and entering into this Agreement; (b) exercising its rights under this Agreement; and/or (c) fulfilling its responsibilities under this Agreement.

15.6 Other Acknowledgments. Developer acknowledges that Franchisor has not given any representation, promise, or guarantee of Developer's success in the Development Territories. Franchisor does not make any representation or warranty express or implied as to the potential success of the business venture contemplated hereby, and Developer acknowledges that it has not received nor relied upon, any such representation or warranty.

**IN WITNESS WHEREOF**, the parties hereto have duly signed and delivered this Agreement in duplicate on the day and year first above written.

**FW FLEET CLEAN, 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 TERRITORIES AND DEVELOPMENT SCHEDULE**

1. Development Right Areas and Fees.

<b><u>Development Right #</u></b>	<b><u>Development Territory</u></b> <i>[attach map(s) as necessary]</i>	<b><u>Development Fee*</u></b>
1		
2		
3		
4		
5		
6		
7		
		<b>TOTAL:</b>

\*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 Territory by the Franchise Opening Deadline specified below:

<b><u>Development Right No.</u></b>	<b><u>Development Deadline</u></b>	<b><u>Balance of Initial Franchise Fee (Amount)</u></b>	<b><u>Franchise Opening Deadline</u></b>
1			
2			
3			
4			
5			
6			
7			

Initials: \_\_\_\_\_ (FW FLEET CLEAN, LLC) \_\_\_\_\_ (Developer)



**Attachment 2**  
to  
Development Agreement

**INDEMNIFICATION AND ACKNOWLEDGMENT**

As an inducement to FW FLEET CLEAN, LLC (“**Franchisor**”) to execute the Fleet Clean 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 “Fleet Clean” 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 Nevada. In the event of any conflict of law, the laws of the State of Nevada shall prevail (without regard to, and without giving effect to, the application of Nevada 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 Acknowledgment. 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 FW Fleet Clean, 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 FLEET CLEAN 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 Fleet Clean 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 Fleet Clean 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 Nevada, 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.

11. 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.

12. Certain Franchisee Waivers are Void. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection 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 legally bound, the parties have executed this Agreement as of the Effective Date.

FW FLEET CLEAN, LLC

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By: Lorraine Matarazzo  
Title: Chief Administrative Officer

[INSERT LEGAL NAME OF FRANCHISEE]

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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 \_\_\_\_\_, is effective on \_\_\_\_\_ (the “**Effective Date**”) and is between **FW FLEET CLEAN, 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**”).

#### Recitals:

**WHEREAS**, Seller is the franchisor of the Fleet Clean® brand and owns a Fleet Clean business located at \_\_\_\_\_ (the “**Business**”);

**WHEREAS**, Seller and Purchaser have entered a Franchise Agreement (the “**Franchise Agreement**”) as of the Effective Date granting Purchaser the right to operate the Business as a Fleet Clean franchisee (the “**Franchise Rights**”);

**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, subject to the terms of this Agreement; 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, Seller hereby transfers and assigns 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) all customer service agreements with the customers listed on Schedule A (the “**Customer Agreements**”), the right to service accounts under the Customer Agreements (the “**Accounts**”), [and, 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**”)];

(b) 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 Effective Date; and

(c) all vehicles described on Schedule A and any equipment associated with such vehicles (including any proprietary Fleet Clean wash box located in or on such vehicles)

(collectively, the “**Vehicles**”) and any other equipment listed on Schedule A.<sup>1</sup>

**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, 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 \$ \_\_\_\_\_ (the “**Purchase Price**”) at the Effective Date payable as follows<sup>2</sup>:

**Section 2.01.** \$ \_\_\_\_\_ of the Purchase Price shall be paid in cash in immediately available funds; and

**Section 2.02.** \$ \_\_\_\_\_ of the Purchase Price shall be financed under the terms of a Secured Promissory Note in substantially the form attached hereto as **Attachment 1** (the “**Secured Promissory Note**”):

## **ARTICLE III** **Seller’s Representations and Warranties**

Seller represents and warrants that the following are true and correct as of the Effective Date:

**Section 3.01. 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 3.02. 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.

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<sup>1</sup> Notwithstanding anything to the contrary contained herein, if financing is provided by Seller for any Vehicle purchased hereunder, Seller may, in its 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.

<sup>2</sup> The Purchase Price set forth above does not include a total of \$ \_\_\_\_\_ for the initial franchise fee paid under Franchise Agreement, which will also be financed under the Secured Promissory Note, nor does it include any working capital provided under any Revolving Credit Agreement between Purchaser and Seller dated as of even date herewith.

**Section 3.03. 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 3.04. Title to Assets; Liens and Encumbrances.** Seller has good and marketable title to all the Assets. 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 Effective Date, except for the security interest granted to Seller in connection with the purchase consummated hereunder. All Assets are owned by Seller free and clear of all liens and encumbrances 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 3.05. 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 3.06. Taxes.** All tax returns required by law to be filed by Seller on or prior to the Effective 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 3.07. Personal Property; Vehicles.** Subject to **Section 5.03**, 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 3.08. 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 3.04**. Seller does not warrant that any Account will be profitable, or that an Account will not be terminated or expire immediately after the Effective Date.

**[Section 3.09. 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.]

**ARTICLE IV**  
**Purchaser's and Owners' Representations and Warranties**

Purchaser and Owners' represent and warrant that the following are true and correct as of the Effective Date:

**Section 4.01. 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 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 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

**ARTICLE V**  
**Additional Agreements**

**Section 5.01. Accounts.** Purchaser agrees to be bound by all obligations under the Customer Agreements as of and after the Effective Date and shall timely perform all services and other obligations specified thereunder in accordance with the applicable Customer Agreement and the Franchise Agreement.

**Section 5.02. 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 Effective Date, 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 Accounts transferred hereunder cancel services for any reason; or

(iv) 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 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 Fleet Clean 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 Fleet Clean 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 5.03. Limited Warranty on Vehicles.** ANY CLAIM OF BREACH OF SELLER'S REPRESENTATIONS IN **SECTION 3.07** RELATING TO ANY VEHICLE MUST BE BROUGHT BY PURCHASER WITHIN SEVEN DAYS AFTER THE EFFECTIVE 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.

\_\_\_\_\_  
Initial

\_\_\_\_\_  
Initial

**Section 5.04. 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 Effective Date, the parties will cooperate after the Effective Date so that Seller is responsible for these costs for all periods up to and including the Effective Date, and Purchaser is responsible for these costs for all periods after the Effective Date. Any prorated amount hereunder that is owed by either party hereunder shall be paid within 30 days of receipt of written notice.

**Section 5.05. 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 5.06. Prorations.** The parties agree to file all income tax returns or reports for their respective taxable years in which the Effective Date occurs to reflect the allocation of purchase price as agreed by the parties and agree not to take any position inconsistent therewith before any governmental agency charged with the collection of any taxes or in any judicial proceeding.

**Section 5.07. Deposits.** If not added to the purchase price paid by Purchaser to Seller at the Effective 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 5.08. Employees.** As of the Effective 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 Effective Date.

**Section 5.09. 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 Effective Date.

**Section 5.10. Brokers.** Neither party involved any broker in this transaction.

**Section 5.11. 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 Effective 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 5.12. Further Assurances.** After the Effective Date, Seller promptly shall 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 5.13. Lease Assignment.** The parties shall execute a Lease Assignment Agreement in the form of **Attachment 2-1** 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. ]

**[Section 5.13. Use and Occupancy Agreement.** The parties agree to work in good faith to cause the Lease to be assigned from Seller to Purchaser after the Effective Date. As of the Effective Date, Purchaser hereby assumes all liabilities and responsibilities arising under the Lease on and after the Effective 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 2-2** and any other documents requested by the landlord under the Lease to effectuate the assignment and assumption of the Lease.]

## **ARTICLE VI** **Indemnification**

**Section 6.01. 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 Effective 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 3.07** 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 5.03**.

**Section 6.02. 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 Effective 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 5.03** applies); and (c) the breach by Purchaser or its Owners' of any representation, warranty or covenant made in this Agreement.

**Section 6.03. 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 VI**, 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 6.04. Survival of Representations, Warranties, Covenants and Agreements.**

The representations, warranties, covenants and agreements of the parties contained in this Agreement shall survive the Effective Date indefinitely, except as provided herein. The representations and warranties of Seller shall expire 12 months after the Effective Date, except for claims under **Sections 3.04** and **3.06** which shall continue indefinitely, provided, however, any claim under **Section 3.07** relating to any Vehicle must be brought within the Warranty Period provided under **Section 5.03**.

**Section 6.05. 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 PURCHASER SHALL IN NO CASE EXCEED THE AMOUNT OF THE PURCHASE PRICE FOR THE ASSETS TO WHICH SUCH LIABILITY IS RELATED.

**ARTICLE VII**  
**General Provisions**

**Section 7.01. 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 7.02. 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: FW Fleet Clean, LLC  
921 Empire Mesa Way  
Henderson, Nevada 89011  
Attention: CEO

If to Purchaser: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If to Owners: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Section 7.03. Arbitration.**

(a) Except as otherwise provided in **Section 7.03(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 Nevada, 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 7(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 7.04. 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 7.05. 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 7.06. 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 VI**.

**Section 7.07. 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 7.08. 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 7.09. 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 7.10. Time is of the Essence.** Time is of the essence with respect to the obligations of Seller and Purchaser under this Agreement.

**Section 7.11. 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 7.12. 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.

**Section 7.13. Acknowledgements.** No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection 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.

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:

FW FLEET CLEAN, LLC

By: \_\_\_\_\_  
Lorraine Matarazzo, Chief Administrative Officer

PURCHASER:

[INSERT LEGAL NAME]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

OWNERS:

\_\_\_\_\_  
Name: \_\_\_\_\_, individually

\_\_\_\_\_  
Name: \_\_\_\_\_, individually

**Schedule A**  
to  
Company-Owned Business Purchase Agreement

**Assets**

1. Accounts

[list]

2. Vehicles

Serial Number/VIN	Description of Vehicle (make/model)

**Attachment 1**  
to  
Company-Owned Business Purchase Agreement

**Secured Promissory Note**

[See **Exhibit I** to this Disclosure Document]

**Attachment 2-1**  
to  
Company-Owned Business Purchase Agreement

**LEASE ASSIGNMENT AGREEMENT**

**THIS LEASE ASSIGNMENT AGREEMENT** (this “**Agreement**”) is entered into on \_\_\_\_\_, is effective on \_\_\_\_\_ (the “**Effective Date**”) and is by and between \_\_\_\_\_, a \_\_\_\_\_ (“**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, FW Fleet Clean, 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 Section 7.03 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 Effective Date. Notices to Company as provided under the Lease and to the new Tenant at:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[INSERT NAME]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Attachment 2-2**  
to  
Company-Owned Business Purchase Agreement

**USE AND OCCUPANCY AGREEMENT**

**THIS USE AND OCCUPANCY AGREEMENT** (this “**Agreement**”) is made on \_\_\_\_\_, is effective as of \_\_\_\_\_ (the “**Effective 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, FW Fleet Clean, 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 Effective 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 Fleet Clean 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, its 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 Effective 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 Section 7.03 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 3**  
to  
Company-Owned Business Purchase Agreement

**REVOLVING CREDIT AGREEMENT**

**THIS REVOLVING CREDIT AGREEMENT** (this “**Agreement**” or “**Credit Agreement**”) is entered into on \_\_\_\_\_ and is effective on \_\_\_\_\_ (the “**Effective Date**”) by and between **FW FLEET CLEAN, 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 \_\_\_\_\_ (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 \_\_\_\_% 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 Nevada.

“**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.

“**Note**” is defined in **Section 2.01**.

“**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 **Article VI**.

## ARTICLE II

### GENERAL

**2.01 Advances.** Lender shall make advances to Borrower (each, an “**Advance**”) from time to time during the term of this Agreement in such amounts as may be requested by Borrower up to the Loan Commitment Amount. Each Advance made will be evidenced by a promissory note duly signed by Borrower in the form attached hereto as Schedule 1 (each, a “**Note**”). All requests for Advances shall be made by Borrower to Lender in writing (in such form as is reasonably satisfactory to Lender) which specifies (a) the amount of the Advance to be made; and (b) the date the proceeds of the Advance are requested to be made available to Borrower (which shall be at least five business days after the date of the request) (a “**Credit Request**”). Advances shall be made by direct wire transfer of funds from Lender to an account designated by Borrower in writing to Lender unless otherwise agreed in advance by the parties.

**2.02 No Obligation to Make Advances.** Notwithstanding anything in this Agreement to the contrary, Lender shall have 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 Fleet Clean® 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. In no event shall the amount or rate of interest due and payable under this Agreement or any Note exceed the maximum amount or rate of interest allowed by applicable law and, in the event 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 each Advance in the amount and by the dates specified in the applicable Note.

**4.02 Method.** Borrower shall repay the principal and interest due hereunder Borrower 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. Notwithstanding anything to the contrary contained herein, Lender may change the required payment method at any time by advance written notice to Borrower. 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 and any Notes issued hereunder 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 2 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 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;

(g) Borrower or any of its owners fails to make any payment under this Agreement or any Note when due after 10 days written notice has been provided to Borrower by Lender;



(h) Borrower or any of its owners 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; and

(i) Borrower or any of its owners violates any other provision of this Agreement or any Note 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 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 and under all Notes issued under this Agreement (the "**Secured Obligations**"), Borrower grants to the Lender a first-priority security interest in the collateral listed in Schedule 2. 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 formats 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 (\$1,200 weekly) plus distributions of \$500 per week.

## ARTICLE VIII

### MISCELLANEOUS

**SECTION 8.01 Amendments and Waiver.** No amendment, modification or waiver of any provision of this Agreement or any Note 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 or any Note 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 or any Note 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 or any Note.

**SECTION 8.02 Severability and Construction.** If any provision of this Agreement or any Note is deemed to be void, invalid, or unenforceable, that provision shall be severed from the remainder of this Agreement or any Note, as the case may be, so as not to cause the invalidity or unenforceability of the remainder of this Agreement or any Note. 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 or any Note.

**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 and the Note issued hereunder set 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 and the Notes issued hereunder shall be interpreted and construed exclusively under the laws of the State of Nevada, which laws shall prevail in the event of any conflict of law (without regard to, and without giving effect to, the application of Nevada 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 and the Notes issued hereunder, 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 the Notes issued hereunder and perform their respective obligations under this Agreement and the Notes issued hereunder 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 under this Agreement or the Notes issued hereunder 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 and any Note issued hereunder 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 the form of Note and consult with attorneys if he, she or it so desires.

**SECTION 8.08 Assignment.** Lender may assign and transfer this Agreement and any Note issued hereunder to a successor lender at any time in the Lender's discretion. Borrower and its owners 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.

**SECTION 8.09 Time.** Time is of the essence with regard to each and every term, covenant, provision and condition of this Agreement and any Note issued hereunder.

**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 Conflict of Terms.** In the event of any conflict between the terms of this Agreement and any Note, the terms of this Agreement shall control.

**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 BORROWER'S LEGAL NAME - OWNERS]

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

**LENDER: FW FLEET CLEAN, LLC**

By: \_\_\_\_\_  
Lorraine Matarazzo, Chief Administrative Officer

**Schedule 1**

to Revolving Credit Agreement

**[FORM OF] PROMISSORY NOTE NO. \_\_**

\$ \_\_\_\_\_

Effective: \_\_\_\_\_

For value received, the undersigned, \_\_\_\_\_, a \_\_\_\_\_ (the “**Company**”), the Company’s 100% owners, \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_, individuals residing in \_\_\_\_\_ (such individuals, together with the Company are referred to here as “**Borrower**”) promises to pay to FW Fleet Clean, LLC (“**Lender**”) in lawful money of the United States of America and in immediately available funds, the principal sum of \$ \_\_\_\_\_ (the “**Advance**”). This Promissory Note is issued under that certain Revolving Credit Agreement dated \_\_\_\_\_ between Borrower and Lender (the “**Credit Agreement**”). All capitalized terms used and not otherwise defined shall have the meanings given them in the Credit Agreement.

8% per annum interest on a compounded basis shall be computed on the Advance from the date hereof as provided in the Credit Agreement.

Borrower shall repay the principal and interest due hereunder Borrower in installments of \$ \_\_\_\_\_ each due approximately each week. 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 of the Credit Agreement.)

Notwithstanding the foregoing, all principal and accrued interest shall become immediately due and payable on that date that is five years after the date hereof (“**Maturity Date**”).

Borrower may prepay amounts due hereunder at any time, in whole or in part, without penalty. If payment required hereunder becomes due on a date that is not a Business Day, then such due date shall be deemed to be the next following Business Day.

The Credit Agreement provides for the acceleration of the maturity of this Note upon the occurrence of certain events.

Time is of the essence of this Note. Demand for payment, protest, notice of dishonor and all other notices and demands under this Note and lack of diligence in the enforcement of this Note are hereby waived by Borrower, and the same hereby assents to each and every extension or postponement of the time of payment, at or after demand, or other indulgence, and hereby waive any and all notice thereof. All notices required to be given or which may be given in connection with this Note shall be given in the manner required for notices under the Credit Agreement. Neither this Note nor Borrower’s or Lender’s rights and obligations under this Note are assignable or delegable without the prior written consent of the other as set forth in the Credit Agreement.

THIS NOTE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEVADA APPLICABLE TO CONTRACTS EXECUTED, AND TO BE FULLY PERFORMED, IN SUCH STATE.

*{Signature Page to Promissory Note}*

**BORROWER**

[INSERT BORROWER'S LEGAL NAME - ENTITY]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[INSERT BORROWER'S LEGAL NAME - OWNERS]

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

**LENDER**

FW FLEET CLEAN, LLC

By: \_\_\_\_\_  
Lorraine Matarazzo, Chief Administrative Officer

## Schedule 2

### to Revolving Credit Agreement

all assets of the franchise(s) operated under the Franchise Agreements (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 Borrower’s Business.

## EXHIBIT G

### SOFTWARE LICENSE AGREEMENT

**THIS SOFTWARE LICENSE AGREEMENT** made as of \_\_\_\_\_ (the “**Effective Date**”), by and between **FW FLEET CLEAN, LLC**, a Delaware limited liability company having its principal place of business at 921 Empire Mesa Way, Henderson, Nevada 89011 (“**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, commercial vehicle cleaning 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 “myFC” (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 annual fee (as of the date of this Agreement, \$1,500 per location) as a license fee for the Software (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 warranty 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, any attachments hereto, and any ancillary agreements between Franchisee and Franchisor or any affiliate which are executed contemporaneously with this Agreement, constitute the entire and complete Agreement between Franchisor (and, if applicable, any affiliate) 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 Nevada, which laws shall prevail in the event of any conflict of law (without regard to, and without giving effect to, the application of Nevada 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 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.

*[Signature page to Software License Agreement]*

**IN WITNESS WHEREOF**, the parties have executed this Agreement on the date first shown above.

FW FLEET CLEAN, 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 FW Fleet Clean, LLC, a Delaware limited liability company (“**Seller**”) and by \_\_\_\_\_, a \_\_\_\_\_ (“**Purchaser**”). Purchaser is a “Fleet Clean” franchisee pursuant 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:

1. Purchase.

(a) Purchaser hereby purchases, and Seller agrees to sell to Purchaser, the following vehicles and related equipment (collectively, the “**Equipment**”):

<b>Serial Number/VIN</b>	<b>Description</b>	<b>Price</b>

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 Nevada, which laws shall prevail in the event of any conflict of law (without regard to, and without giving effect to, the application of Nevada 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.

FW FLEET CLEAN, LLC

\_\_\_\_\_  
Lorraine Matarazzo, Chief Administrative Officer

[INSERT LEGAL NAME OF PURCHASER]

\_\_\_\_\_  
By:  
Title:

**PURCHASER’S AGREEMENTS AND ACKNOWLEDGMENTS**

*[to be executed at signing of the Equipment Sales Agreement]*

In connection with the purchase of the Equipment and Installation Services from FW Fleet Clean, 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 ACKNOWLEDGMENTS**

*[to be executed at delivery of the Equipment]*

In connection with the purchase of the Equipment and Installation Services from FW Fleet Clean, 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, together with the Company are referred to here as "**Borrower**") promises to pay to FW Fleet Clean, 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 Fleet Clean® franchisee pursuant a Franchise Agreement with 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, weekly 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, in arrears, of \$ \_\_\_\_\_ with the first installment being payable on \_\_\_\_\_, and subsequent installments being payable on Wednesday of each succeeding week 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 Franchisor under the Franchise Agreement. The parties hereby confirm that Franchisor 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 and transmit such amounts directly to Lender. 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 in each case;

(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 either of them) 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, subject to any cure period permitted under the applicable loan or credit agreement; or

(k) Borrower violates **Section 11** (Bookkeeper/Accounting Services) or **Section 12** (Limitations on Payments) of this Note.

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 (or either of them).

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 formats 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.

13. **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 any Related Party (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 Account Transfer Agreement, Equipment Sales Agreement, Company-Owned Business Purchase Agreement and/or 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 Nevada, which laws shall prevail in the event of any conflict of law (without regard to, and without giving effect to, the application of Nevada 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 Franchisor 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

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 Borrower to Lender 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.

*{Signature Page to Secured Note}*

**BORROWER**

[INSERT BORROWER'S LEGAL NAME - ENTITY]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

[INSERT BORROWER'S LEGAL NAME - OWNERS]

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

**LENDER: FW FLEET CLEAN, 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**  
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**EXHIBIT K**  
**STATE SPECIFIC ADDENDA AND RIDERS**

**ADDENDUM  
TO FRANCHISE DISCLOSURE DOCUMENT FOR  
FW FLEET CLEAN, LLC  
STATE OF ILLINOIS**

The following risk factors apply:

1. THE FRANCHISOR PERFORMS BILLING AND COLLECTION FOR ALL SERVICES THAT YOU PROVIDE TO YOUR CUSTOMERS, WHETHER YOU OBTAIN THE CUSTOMER OR THE FRANCHISOR PROVIDES THAT CUSTOMER TO YOU. IF THE ACCOUNTS YOU SERVICE DO NOT PAY, YOU SUFFER THE LOSS OF NONPAYMENT. IF THE FRANCHISOR TAKES ACTION TO COLLECT PAYMENTS, THE FRANCHISOR DOES SO SOLELY AT YOUR EXPENSE.
2. THIS FRANCHISOR IS AT AN EARLY STAGE OF DEVELOPMENT AND HAS LIMITED OPERATING HISTORY. THIS FRANCHISE IS LIKELY TO BE A RISKIER INVESTMENT THAN A FRANCHISE SYSTEM WITH A LONGER OPERATING HISTORY.
3. YOU MUST PURCHASE ALL OR NEARLY ALL OF THE INVENTORY & SUPPLIES NECESSARY TO OPERATION YOUR BUSINESS FROM FRANCHISOR, ITS AFFILIATE, OR FROM SUPPLIERS THAT FRANCHISOR DESIGNATES AT PRICES THE FRANCHISOR OR THEY SET. THESE PRICES MAY BE HIGHER THAN PRICES YOU COULD OBTAIN ELSEWHERE FOR THE SAME OR SIMILAR GOODS. THIS MAY REDUCE THE ANTICIPATED PROFIT OF YOUR FRANCHISED BUSINESS.

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.

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

**RIDER TO  
FW FLEET CLEAN, LLC  
FRANCHISE AGREEMENT  
FOR USE IN ILLINOIS**

**THIS RIDER** (the “**Rider**”) is effective as of \_\_\_\_\_, 20\_\_\_\_ (the “**Agreement Date**”), and amends the Franchise Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the “**Agreement**”), between **FW FLEET CLEAN, 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 13 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 23.6 of the Agreement is deleted in its entirety.

7. **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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

8. **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.

9. 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.

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: \_\_\_\_\_

**RIDER TO  
FW FLEET CLEAN, LLC  
DEVELOPMENT AGREEMENT  
FOR USE IN ILLINOIS**

**THIS RIDER** (the “**Rider**”) is effective as of \_\_\_\_\_, 20\_\_\_\_ (the “**Agreement Date**”), and amends the Development Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the “**Agreement**”), between **FW FLEET CLEAN, 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. 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.

3. 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.

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 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 FW FLEET CLEAN, LLC  
STATE OF MARYLAND**

**THIS ADDENDUM** (the “**Addendum**”) amends the Franchise Disclosure Document of **FW FLEET CLEAN, LLC**

The following risk factors apply:

**Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

**Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse’s marital and personal assets, perhaps including your house, at risk if your franchise fails.

**Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

Item 5 is amended by adding the following language:

Based on the franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**MARYLAND RIDER TO  
FW FLEET CLEAN, LLC  
FRANCHISE AGREEMENT**

**THIS RIDER** (the “Rider”) is effective as of \_\_\_\_\_ (the “**Agreement Date**”), and amends the Franchise Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the “**Agreement**”), between **FW FLEET CLEAN, 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.** (a) 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; (b) No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

6. **Fee Deferral.** Based on the franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

7. **Effective Date.** This Rider is effective on the Agreement Date regardless of the actual date of signature.

*(Signatures on next page)*



**Us:**

**FW FLEET CLEAN, LLC**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**You:**

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**MARYLAND RIDER TO  
FW FLEET CLEAN, LLC  
DEVELOPMENT AGREEMENT**

**THIS RIDER** (the “Rider”) is effective as of \_\_\_\_\_, 20\_\_\_\_ (the “**Agreement Date**”), and amends the Development Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the “**Agreement**”), between **FW FLEET CLEAN, 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.** (a) 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; (b) No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

5. **Fee Deferral.** Based on the franchisor’s financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

6. **Effective Date.** This Rider is effective on the Agreement Date regardless of the actual date of signature.

**Us:**

**You:**

**FW FLEET CLEAN, LLC**

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**ADDENDUM  
TO FRANCHISE DISCLOSURE DOCUMENT FOR  
FW FLEET CLEAN, 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. 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.
5. 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, subs. 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.
6. 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.
7. 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  
FW FLEET CLEAN, LLC  
FRANCHISE AGREEMENT**

**THIS RIDER** (the “Rider”) is effective as of \_\_\_\_\_ (the “Agreement Date”), and amends the Franchise Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the “Agreement”), between **FW FLEET CLEAN, 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 \_\_\_\_\_, 20\_\_\_\_ (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.

Intending to be bound, the parties sign and deliver this Rider to each other as shown below:

**Us:**

**FW FLEET CLEAN, LLC**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**You:**

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**ADDENDUM  
TO FRANCHISE DISCLOSURE DOCUMENT FOR  
FW FLEET CLEAN, 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."

**NEW YORK RIDER TO  
FW FLEET CLEAN, LLC  
FRANCHISE AGREEMENT**

**THIS RIDER** (the “**Rider**”) is effective as of \_\_\_\_\_ (the “**Agreement Date**”), and amends the Franchise Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the “**Agreement**”), between **FW FLEET CLEAN, 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.”

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.

**FW FLEET CLEAN, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



**NEW YORK RIDER TO  
FW FLEET CLEAN, LLC  
DEVELOPMENT AGREEMENT**

**THIS RIDER** (the “**Rider**”) is effective as of \_\_\_\_\_ (the “**Agreement Date**”), and amends the Development Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the “**Agreement**”), between **FW FLEET CLEAN, 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.”

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.

**FW FLEET CLEAN, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**ADDENDUM  
TO FRANCHISE DISCLOSURE DOCUMENT FOR  
FW FLEET CLEAN, 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  
FW FLEET CLEAN, LLC  
FRANCHISE AGREEMENT**

**THIS RIDER** (the “**Rider**”) is effective as of \_\_\_\_\_, 20\_\_\_\_ (the “**Agreement Date**”), and amends the Franchise Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the “**Agreement**”), between **FW FLEET CLEAN, 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, Franchisor and Franchisee sign and deliver this Rider in two

counterparts effective on the Agreement Date, regardless of the actual date of signature.

**FW FLEET CLEAN, LLC**

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**NORTH DAKOTA RIDER TO  
FW FLEET CLEAN, LLC  
DEVELOPMENT AGREEMENT**

THIS RIDER (the “Rider”) is effective as of \_\_\_\_\_, 20\_\_\_\_ (the “Agreement Date”), and amends the Development Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the “Agreement”), between **FW FLEET CLEAN, 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, Franchisor and Developer sign and deliver this Rider in two counterparts effective on the Agreement Date, regardless of the actual date of signature.

**FW FLEET CLEAN, LLC**

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**ADDENDUM  
TO FRANCHISE DISCLOSURE DOCUMENT FOR  
FW FLEET CLEAN, LLC  
STATE OF VIRGINIA**

Additional disclosures:

**Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk, if your franchise fails.

**Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act (the "**Act**"), the FW Fleet Clean, 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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

## EXHIBIT L-1

### FRANCHISED FLEET CLEAN BUSINESSES

#### Part A. Fleet Clean Franchises as of December 31, 2023

ALABAMA		
<b>(1) Huntsville, Alabama (HSV)</b>  <i>(company-owned unit sold to franchisee in 2022)</i>  Premier Wash, LLC 1035 D-2 Putnam Drive Huntsville, Alabama 35806 Attn: Nicholas A. Crouch Tel: (256) 305-3302		
ARIZONA		
<b>(2) Phoenix, Arizona (PHX)</b>  <i>(opened 2020)</i>  Wash AZ, LLC 17896 W. Sells Drive Goodyear, Arizona 85395 Attn: Derek Judd Tel: (623) 256-5320		
CALIFORNIA		
<b>(3) Gilroy, California (MRY)</b>  <i>(opened 2021)</i>  FC of Gilroy, LLC 371 Wedgewood, Cambria CA 93428 Attn: Juan Carrillo Tel: (209) 380-7168	<b>(4) San Luis Obispo County, California (SLO)</b>  <i>(opened 2021)</i>  FC OF SLO, LLC 371 Wedgewood, Cambria CA 93428 Attn: Juan Carrillo Tel: (209) 380-7168	
COLORADO		
<b>(5) Boulder, Colorado (DEN)</b>  <i>(company-owned unit sold to franchisee in 2019)</i>  Amethyst Rock Enterprises, Inc. 4020 Lazy K Drive Castle Rock, CO 80104 Attn: Bo and Misty Garrison Tel: (785) 656-2777	<b>(6) Colorado Springs, Colorado (COS)</b>  <i>(company-owned unit sold to franchisee in 2019)</i>  Amethyst Rock Enterprises, Inc. 4020 Lazy K Drive Castle Rock, CO 80104 Attn: Bo and Misty Garrison	<b>(7) Denver, Colorado (DEN)</b>  <i>(opened 2018)</i>  Amethyst Rock Enterprises, Inc. 4020 Lazy K Drive Castle Rock, CO 80104 Attn: Bo and Misty Garrison Tel: (785) 656-2777



**CONNECTICUT**

**(8) State of Connecticut (SLM)**

*(opened 2021)*

CT Fleet Services LLC  
336 Putnam Ave  
Hamden, CT 06517  
(203) 935-8076  
Attn: Paul Dupervil  
Tel: (860) 268-4212

**FLORIDA**

**(9) Palm Beach, Florida (PBI)**

*(opened 2021)*

Gamlen, Inc.  
38 Governors Court, Palm Beach  
Gardens, Florida 33418  
Attn: Olaf Gamlen  
Tel: (954) 557- 5693

**GEORGIA**

**(10) Atlanta, Georgia (ATL)**

*(transferred 2017)*

Connemara Coast, LLC  
PO Box 767487  
Roswell, Georgia 30076  
Attn: David Kelley or Chris  
Caffrey  
Tel: (404) 345-1029

**ILLINOIS**

**(11) Chicago, Illinois (ORD)\***

*(company-owned unit that was  
sold to franchisee in 2019)*

Sanida Smith Henry LLC  
1423 Meander Drive  
Naperville, IL 60565  
Attn: William R. Keeling Jr  
Tel: (630) 842-6715

\*Includes portions of Indiana.

**LOUISIANA**

**(12) New Orleans, Louisiana  
(MSY)**

***(company-owned unit sold to  
franchisee in 2019)***

Deep South Environmental, LLC  
204 I-55 Trace Drive, Ridgeland,  
Mississippi 39157  
Attn: Chris Tharpe  
Tel: (601) 832-9269

**MISSOURI**

**(13) St. Louis, Missouri (STL)**

***(transferred 2020)***

Tri State Commercial Services  
3419 Heyward St.  
Columbia, SC 29205  
Attn: Will Summerall  
Tel: (803) 457-4555

**NEVADA**

**(14) Reno, Nevada (RNO)**

***(company-owned unit sold to  
franchisee in 2022)***

Esparza Truck Detailing LLC  
593 Overmeyer Road, Suites  
D&E  
Sparks, NV 89431  
Attn: Ismael Esparza  
Tel: (559) 475-4951

**NORTH CAROLINA**

**(15) Charlotte, North Carolina  
(CLT)**

*(company-owned unit sold to  
franchisee in 2019)*

Tri State Commercial Services  
3419 Heyward St.  
Columbia, SC 29205  
Attn: Will Summerall  
Tel: (803) 457-4555

**OKLAHOMA**

**(16) Oklahoma City, Oklahoma  
(OKC)**

*(company-owned unit that was  
repurchased from a franchisee  
in 2022, and later resold to new  
franchisee in 2022)*

Sud's Pressure Wash, LLC  
327 South Scott Street, Del City,  
Oklahoma, 73115  
Attn: Michael D. Southerland  
Tel: (405) 501-4845

**OREGON**

**(17) Portland, Oregon (PDX)**

*(opened 2016)*

PDX FC, LLC  
2890 Cottage St. SE  
Corvallis, Oregon  
Attn: Aaron Ricci or Bryan Clark  
Aaron Ricci Tel: (808)-960-7266  
Bryan Clark Tel: (415) 519-5226

**PENNSYLVANIA**

**(18) Treverton, Pennsylvania  
(HBG)**

*(opened 2020)*

JR's Mobile Power Washing, LLC  
847 Mahanoy Street  
Trevorton, PA 17881  
Attn: John Reidinger  
Tel: (570) 898-8965

**SOUTH CAROLINA**

**(19) Charleston, South Carolina (CHS)**

***(opened 2016)***

Tri State Commercial Services  
3419 Heyward St.  
Columbia, SC 29205  
Attn: Will Summerall  
Tel: 803-457-4555

**(20) Greenville, South Carolina (GRV)**

***(opened 2017)***

Tri State Commercial Services  
3419 Heyward St.  
Columbia, SC 29205  
Attn: Will Summerall  
Tel: 803-457-4555

**(21) Columbia, South Carolina (COL)**

***(opened 2015)***

Tri State Commercial Services  
3419 Heyward St.  
Columbia, SC 29205  
Attn: Will Summerall  
Tel: (803) 457-4555

**TENNESSEE**

**(22) Knoxville, Tennessee (KNX)**

***(company-owned unit sold to franchisee 2019)***

East Tennessee Wash Squad, LLC  
4519 Martin Mill Pike  
Knoxville, Tennessee 37920  
Attn: Daniel Staton  
Tel: (865) 200-7206

**(23) Johnson City, Tennessee (JTN)**

***(company-owned unit sold to franchisee in 2019)***

East Tennessee Wash Squad, LLC  
4519 Martin Mill Pike  
Knoxville, Tennessee 37920  
Attn: Daniel Staton  
Tel: (865) 200-7206

**(24) Memphis, TN (MEM)**

***(opened 2022)***

McElhane Family Cleaning LLC  
4587 Damascus Road,  
Memphis, TN 38118  
Attn: William Kyle McElhaney  
or Jennifer Louisa McElhaney  
Tel: (901) 674-8688

**(25) Nashville, TN (BNA)**

***(opened 2021)***

Cromm Holdings, LLC  
106 Public Square, Suite 102  
Gallatin, TN 37066  
Attn: Harrison Owen Slaughter IV  
Tel:  
(615) 598-1682

**(26) Chattanooga, Tennessee (CGA)**

***(company-owned unit sold to franchisee in 2022)***

Premier Wash, LLC  
1035 D-2 Putnam Drive  
Huntsville, Alabama 35806  
Attn: Nicholas A. Crouch  
Tel: (256) 305-3302

**TEXAS**

**(27) Dallas, Texas (DFW)**

*(transferred 2022)*

Sahli Family Ltd.  
18011 Lake Ray Hubbard Drive,  
Fornay TX 75126  
Attn: Scott Michael Sahli  
Tel: (434) 944-1850

**(28) Fort Worth, Texas (FTW)**

*(transferred 2022)*

Sahli Family Ltd.  
18011 Lake Ray Hubbard  
Drive, Fornay TX 75126  
Attn: Scott Michael Sahli  
Tel: (434) 944-1850

**(29) El Paso, Texas (ELP)**

*(company-owned unit sold to franchisee in 2019)*

Borderland Services, Inc.  
656 Cancellaire Avenue  
El Paso, Texas 79932  
Attn: Carlos Gutierrez  
Tel: (915) 799 - 3636

**(30) Lubbock, Texas (LUB)**

*(transferred 2021)*

Gomez Wash LLC  
310 East 40th Street, Lubbock,  
Texas 79404  
Attn: Guadalupe Gomez  
Tel: (806) 775 - 6003

**(31) Amarillo, Texas (AMA)**

*(transferred 2021)*

Gomez Wash LLC  
310 East 40th Street, Lubbock,  
Texas 79404  
Attn: Guadalupe Gomez  
Tel: (806) 775 - 6003

**(32) Denton, Texas (DTA)**

*(opened 2019)*

Peak Distribution, LLC  
1609 Northlake Court  
Arlington, Texas 76012  
Attn: Lemuel Smith, II  
Tel: (817) 905-4014

**(33) Midland, Texas (MAF)**

*(transferred 2021)*

Gomez Wash LLC  
310 East 40th Street,  
Lubbock, Texas 79404  
Attn: Guadalupe Gomez  
Tel: (806) 775 6003

**(34) Stephenville, Texas (STP)**

*(company-owned unit that was sold to franchisee in 2019)*

Peak Distribution, LLC  
1609 Northlake Court  
Arlington, Texas 76012  
Attn: Lemuel Smith, II  
Tel: (817) 905-4014

**(35) Houston, Texas (HOU)**

*(company-owned unit that was sold in 2022)*

Shinny Bros LLC  
9730 Telephone Road, Unit B-4,  
Houston, Teas 77075  
Attn: Daniel Lopez Arias  
Tel: (210) 649-6733

**VIRGINIA**

**(36) Roanoke/Salem, Virginia (ROA)**

*(company-owned unit that was sold to franchisee in 2019)*

Dillcar, LLC  
2617 Lyndhurst Street, NW  
Roanoke, Virginia 24012  
Attn: Richard Dillow  
Tel: (540) 510-5561

**(37) Richmond, Virginia**

*(company-owned unit that was reacquired and resold to franchisee in 2019)*

Dillcar, LLC  
2617 Lyndhurst Street, NW  
Roanoke, Virginia 24012  
Attn: Richard Dillow  
Tel: (540) 510-5561

**(38) Norfolk, Virginia**

*(opened 2022)*

Joro Fleet Services LLC  
209 Habitat Xing  
Chesapeake, Virginia 23320  
Attn: Rommany  
Chanthavong  
Tel: (757) 917-8968

**WASHINGTON D.C.**

**(39) South D.C. (IAD)**

***(opened 2020)\****

Trinh Enterprises LLC  
4306 Welby Drive, Midlothian,  
Virginia 23113  
Attn: Andy N. Trinh  
Tel: (571) 286-6158

\*includes portions of Virginia.

**(40) North D.C. (DCA)**

***(opened 2021)\****

Trinh Enterprises LLC  
4306 Welby Drive,  
Midlothian, Virginia 23113  
Attn: Andy N. Trinh  
Tel: (571) 286-6158

\*includes portions of  
Maryland

**WASHINGTON**

**(41) Seattle, Washington (SEA)**

***(opened in 2022)***

Commercial Mobile Wash LLC  
2911 Deer Island Dr., Lake  
Tapps, WA 98391  
Attn: Brett Robinson  
Tel: (208) 929-0227

**WISCONSIN**

**(42) Madison, Wisconsin (MAD)**

***(opened 2020)***

PTD Unlimited LLC  
4510 Bellingrath Street,  
McFarland, WI 53558-8753  
Attn: Patrick Doll  
Tel: (608) 332-9335

**Part B. New Fleet Clean Franchises from January 1, 2023 to May 30, 2023**

**Orlando, Florida (ORD)**

*(company-owned unit that was sold to franchisee in 2023)*

FCFL, LLC  
32 Sequoyah Circle  
Saint Johns, FL 32259  
Attn: Jill K. Heishman  
Tel: (904) 719-4283

**Boston, Massachusetts (BOS)**

*(opened in 2023)*

CT Fleet Services LLC  
336 Putnam Ave  
Hamden, CT 06517  
Attn: Paul Dupervil  
Tel: (860) 268-4212

**EXHIBIT L-2**

**FRANCHISES THAT LEFT THE SYSTEM FOR ANY REASON FROM JANUARY 1, 2022 TO  
MAY 30, 2023**

**Part A. Franchises that were terminated, were reacquired or otherwise ceased operating during 2022**

**Oklahoma City, Oklahoma (OKC)**

*(repurchased in 2022; sold to another franchisee in 2022)*

Will Clean, LLC  
905 Brett Drive  
Edmond, OK 73013  
Attn: William C. McLain  
Tel: (405) 413-7903

**Salem, New Jersey**

*(repurchased in 2022)*

PHL FC LLC  
8141 Ogontz Avenue  
Wyncote, PA 19095  
Attention: Brian Beers  
Tel: (215) 847-3773

**Philadelphia, Pennsylvania**

*(repurchased in 2022)*

PHL FC LLC  
8141 Ogontz Avenue  
Wyncote, PA 19095  
Attention: Brian Beers  
Tel: (215) 847-3773

**Austin, Texas (AUS)**

*(repurchased in 2022)*

Vista Mesas Investments, Inc.  
PO BOX 4701  
Lago Vista, TX 78645  
Attn: Scott Riggs  
Tel: (512) 839-5660

**Indianapolis, Indiana**

*(closed in 2022)*

Indy Wash 500 LLC  
1424 Round Lake Rd.  
Greenwood, IN 46143



Attention: Kirk Walker  
Tel: (317) 696-3346

**Macon, Georgia**

***(closed in 2022)***

ALDAR Enterprises, LLC  
358 Kitchens Rd. SW  
Haddock, GA 31033  
Attention: Darlene Gillies  
Tel: (478) 297-1506

**Part B. Franchises that transferred their franchises during 2022**

**Amarillo, Lubbock and Midland, Texas**

***(transferred in 2022)***

NTX Wash Systems, LLC  
7615 Lairds Lane  
Dallas, Texas 75248  
Attn: Bart McKay  
Tel: (214) 744-3777

**Dallas, Texas (DFW)**

***(transferred in 2022)***

NTX Wash Systems, LLC  
7615 Lairds Lane  
Dallas, Texas 75248  
Attn: Bart McKay  
Tel: (214) 744-3777

**Part C. Franchises that were terminated, were reacquired or otherwise ceased operating from January 1, 2023 to May 30, 2023**

**St. Louis, Missouri (STL)**

***(repurchased in 2023)***

Tri State Commercial Services  
3419 Heyward St.  
Columbia, SC 29205  
Attn: Will Summerall  
Tel: (803) 457-4555

**Nashville, TN (BNA)**

***(repurchased in 2023)***

Cromm Holdings, LLC  
106 Public Square, Suite 102  
Gallatin, TN 37066  
Attn: Harrison Owen Slaughter IV  
Tel: (615) 598-1682

**Part D. Franchises that transferred their franchises from January 1, 2023 to May 30, 2023**

NONE

**EXHIBIT M**  
**FINANCIAL STATEMENTS**

**THE FOLLOWING 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.**

# FW Fleet Clean, LLC

## Unaudited Balance Sheet

As of April 30, 2023

	<b>Total</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
101 JP Morgan Chase	125,775.08
101.1 Shopify Activity	-4,563.09
102 Cash	0.00
110 Bad Debt Clearing Account	0.00
142 Prepayment control acct	0.00
<b>Total Bank Accounts</b>	<b>\$ 121,211.99</b>
<b>Accounts Receivable</b>	
111 Accounts Receivable (A/R)	-39,232.19
111.1 AR-Prior Method 100% Franchisee Billing	2,441,957.98
111.2 AR-Payments Due (Billings QB)	44,378.00
111.3 AR-Payments Due (FW QB)	-2,081.64
111.5 AR Due Shopify Vendors	837.38
<b>Total 111 Accounts Receivable (A/R)</b>	<b>\$ 2,445,859.53</b>
<b>Total Accounts Receivable</b>	<b>\$ 2,445,859.53</b>
<b>Other Current Assets</b>	
112 Note Receivable	1,420,107.99
113 Undeposited Customer Funds	441,645.98
117 Allowance for Doubtful Accounts	-25,000.00
118 Accrued Revenue	13,930.19
130 Inventory Asset	0.00
130.1 Aquisitions/Plant & Sells	1,343,857.49
130.2 Parts and Equipment (resale)	61,930.11
130.3 Construction in Progress	899,130.39
130.4 Chemical Inventory (Corp Ops)	19,069.95
130.5 Apparel Inventory	32,397.11
130.6 Trucks for Sale Inventory	288,365.95
<b>Total 130 Inventory Asset</b>	<b>\$ 2,644,751.00</b>
134 Franchisee Deposits	0.00
141 Prepaid Expenses	484,910.01
144 Prepaid Franchise Dev Fees - Short Term	54,500.00
Employee loans/advances	0.00
Inventory Asset-1	0.00
<b>Total Other Current Assets</b>	<b>\$ 5,034,845.17</b>

<b>Total Current Assets</b>	<b>\$ 7,601,916.69</b>
<b>Fixed Assets</b>	
115 Leasehold Improvements	46,707.51
115.01 Las Vegas NV Corp Office	275,239.36
<b>Total 115 Leasehold Improvements</b>	<b>\$ 321,946.87</b>
116 Leasehold Accum Depreciation	-118,100.67
161 Furniture and Equipment	459,720.30
162 Furn&Equip- Accum Deprec	-140,706.11
163 Vehicles	859,379.92
164 Vehicles- Accum Depreciation	-180,467.20
165 Software	59,855.00
166 Software- Accum Depreciation	-54,684.17
<b>Total Fixed Assets</b>	<b>\$ 1,206,943.94</b>
<b>Other Assets</b>	
114 Note Receivable (long term)	6,513,424.12
119 Allowance for doubtful Notes Rec.	-95,000.00
133 Security Deposits (rent&bid)	36,746.76
174 Prepaid Franchise Dev Fees - Long Term	367,167.00
187 Restrictive Cov Accum Amortization	-100,000.00
188 Trade Name	1,100,000.00
190 Royalty Rights Accum Amort	-1,511,907.12
192 Restrictive Covenants	100,000.00
194 Royalty Rights	3,466,260.93
195 Goodwill	3,042,100.00
<b>Total Other Assets</b>	<b>\$ 12,918,791.69</b>
<b>TOTAL ASSETS</b>	<b>\$ 21,727,652.32</b>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
211 Accounts Payable	347,270.89
<b>Total Accounts Payable</b>	<b>\$ 347,270.89</b>
<b>Credit Cards</b>	
213 FWFC American Express	34,399.82
219 FWFC Ramp	110,546.15
<b>Total Credit Cards</b>	<b>\$ 144,945.97</b>
<b>Other Current Liabilities</b>	
207 Deposits due to Fleetwash	27,886.90
212 Payroll Liabilities	0.00
212.2 Employee 401K Deductions	0.00
<b>Total 212 Payroll Liabilities</b>	<b>\$ 0.00</b>
212.3 Payroll Clearing Account	0.00
214 Accrued Wages	82,894.49
215 Accrued Expenses	91,337.87

216 Due to Franchisees	1,568,067.66
217 FW Billing Control Acct	0.00
218 FC Billing Control Acct	-0.31
220 220 Acquisition Earnout Payable	128,750.00
227 Sales Tax Payable (MyFC)	0.00
227.1 FL Sales Tax Payable	0.00
227.2 GA Sales Tax Payable	0.00
227.3 NJ Sales Tax Payable	0.00
227.4 NM Sales Tax Payable	0.00
227.5 PA Sales Tax Payable	-2,909.81
227.6 TX Sales Tax Payable	0.00
227.7 TN Sales Tax Payable	-5,552.00
227.9 OH Sales Tax Payable	0.00
<b>Total 227 Sales Tax Payable (MyFC)</b>	<b>-\$ 8,461.81</b>
228 Sales Tax Payable (Scheduler)	0.00
228.1 FL Sales Tax Payable	691.10
228.2 NJ Sales Tax	3,209.67
228.7 TN Sales Tax Payable	24,263.06
228.8 PA Sales Tax	5,814.00
<b>Total 228 Sales Tax Payable (Scheduler)</b>	<b>\$ 33,977.83</b>
229 Deferred Franchise Fee Revenue Short-Term	117,500.00
298 Duplicate/Excess Payment Received from Customers	0.00
299 Reconciliation Discrepancies	0.00
Out Of Scope Agency Payable	0.00
<b>Total Other Current Liabilities</b>	<b>\$ 2,041,952.63</b>
<b>Total Current Liabilities</b>	<b>\$ 2,534,169.49</b>
<b>Long-Term Liabilities</b>	
210 Due To Fleetwash Inc	4,418,793.13
210.1 FC Customers served by FW Location	68,506.68
<b>Total 210 Due To Fleetwash Inc</b>	<b>\$ 4,487,299.81</b>
258 Deferred ER Soc Sec LT	0.00
259 Deferred Franchise Fee Revenue Long-Term	739,918.00
<b>Total Long-Term Liabilities</b>	<b>\$ 5,227,217.81</b>
<b>Total Liabilities</b>	<b>\$ 7,761,387.30</b>
<b>Equity</b>	
283 Opening Balance Equity	8,047,610.00
Retained Earnings	5,089,453.80
Net Income	829,201.22
<b>Total Equity</b>	<b>\$ 13,966,265.02</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 21,727,652.32</b>

**FW Fleet Clean, LLC**  
**Unaudited Profit and Loss**  
January - April, 2023

	<b>Total</b>
<b>Income</b>	
312 Corporate Service Billings (FW)	656,669.29
313 Corporate Service Billings (FC)	1,166,549.09
316 Merchandise Sales	288,927.49
316.1 Discounts/Refunds Given	-194,768.19
316.2 Shipping Income	15,833.35
<b>Total 316 Merchandise Sales</b>	<b>\$ 109,992.65</b>
317 National Account Fees	165,231.24
318 Royalties	500,153.14
319 Marketing Fees	110,686.69
320 Franchise Sales Income	48,000.00
321 Truck, Body and/or Equipment Revenue	650,388.00
322 Leased Vehicle Income	-424.39
323 Software and Support Fees	35,375.00
324 Advanced Payment Fees	7,747.94
500 Sales of a System Income	465,000.00
<b>Total Income</b>	<b>\$ 3,915,368.65</b>
<b>Cost of Goods Sold</b>	
406 Body & Equipment Trucks	435,382.88
410 Operational Supplies	108,075.73
413 Chemicals	45,211.12
416 Purchases for Resale	73,491.16
416.1 Vendor Discounts	-49.97
416.2 Shipping Expense	14,227.39
416.3 Inventory Adjustment	-11.04
<b>Total 416 Purchases for Resale</b>	<b>\$ 87,657.54</b>
422 Cost of Sales - Sale of system	1,202.06
423 Technology Support Expense	37,360.61
424 Direct Labor	694,140.63
427 PRTax-DirLab	55,696.71
726 Fuel Expense	154,268.30
Inventory Shrinkage	0.00
<b>Total Cost of Goods Sold</b>	<b>\$ 1,618,995.58</b>
<b>Gross Profit</b>	<b>\$ 2,296,373.07</b>
<b>Expenses</b>	
701 Payroll-Office/Shop	141,049.66
702 Payroll Service Sales	127,393.80
703 Payment Processing Fees	30.83
703.1 Credit Card Processing Fees	-29,788.10



703.2 QuickBooks Payments Fees	43,897.72
703.3 Shopify Merchant Fee	6,877.02
<b>Total 703 Payment Processing Fees</b>	<b>\$ 21,017.47</b>
<b>707 Marketing</b>	
707.7 Marketing Franchise Development	7,404.76
707.8 Marketing Franchise Services	13,207.27
<b>Total 707 Marketing</b>	<b>\$ 20,612.03</b>
724 Equipment Rental	1,340.99
730 Insurance Expense	20,000.01
732 Medical Insurance Premiums	872.59
733 Medical-Worker Injury	1,625.00
736 Licensing	5,547.54
737 Bank Fees & Misc	-0.01
739 Franchisee Development Fee, Sales/Billing Fees & Other	91,989.00
742 PRTax-Other	56,742.88
743 Postage	2,806.67
745 Professional Fees (Acct,PR,Leg)	55,587.55
747 Rent Expense	128,330.03
749 Repairs & Maintenance	53,321.34
750 Admin Salaries	419,896.58
751 Office Expenses & Stationary	40,992.55
753 Other Taxes	2,908.15
763 Communications Expense	22,862.41
764 Tolls & Parking Fees	3,784.46
765 Client Meals and Entertainment	1,893.17
766 Travel & Lodging Expense	89,360.86
768 Utilities	18,857.16
770 Payroll Processing Expenses	6,675.99
<b>Total Expenses</b>	<b>\$ 1,335,467.88</b>
<b>Net Operating Income</b>	<b>\$ 960,905.19</b>
<b>Other Income</b>	
802 Interest Earned	90,306.04
<b>Total Other Income</b>	<b>\$ 90,306.04</b>
<b>Other Expenses</b>	
775 Depreciation Expense	102,664.25
776 Amortization	119,345.76
<b>Total Other Expenses</b>	<b>\$ 222,010.01</b>
<b>Net Other Income</b>	<b>-\$ 131,703.97</b>
<b>Net Income</b>	<b>\$ 829,201.22</b>

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# FW Fleet Clean, LLC

(a wholly owned subsidiary of Fleetwash, Inc.)

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**Financial Report**  
**December 31, 2022**

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## Independent Auditor's Report

To the Board of Directors  
FW Fleet Clean, LLC

### **Opinion**

We have audited the financial statements of FW Fleet Clean, LLC (the "Company"), which comprise the balance sheet as of December 31, 2022 and 2021 and the related statements of operations, member's equity, and cash flows for the years ended December 31, 2022, 2021, and 2020, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021 and the results of its operations and its cash flows for the years ended December 31, 2022, 2021, and 2020 in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

### **Emphasis of Matter**

As described in Note 8 to the financial statements, the Company adopted Accounting Standards Codification (ASC) 842, *Leases*, as of January 1, 2022 using the modified retrospective adoption method. Our opinion is not modified with respect to this matter.

### **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 within one year after the date that the financial statements are issued or available to be issued.

### **Auditor's Responsibilities for the Audits 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 audits 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.

To the Board of Directors  
FW Fleet Clean, LLC

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

*Plante & Moran, PLLC*

May 30, 2023

**Balance Sheet**

**December 31, 2022 and 2021**

	2022	2021
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 169,058	\$ 121,611
Accounts receivable - Net		
Trade	623,274	489,651
Related parties (Note 7)	163,151	-
Contract costs - Deferred broker fees	49,000	50,750
Inventory - Vehicle equipment held for sale to franchisees	1,850,782	1,397,494
Current portion of notes receivable	1,301,141	1,004,316
Prepaid expenses and other current assets	181,454	116,269
	<u>4,337,860</u>	<u>3,180,091</u>
Total current assets	4,337,860	3,180,091
<b>Property and Equipment - Net (Note 4)</b>	769,532	967,148
<b>Right-of-use Operating Lease Assets - Net (Note 6)</b>	670,276	-
<b>Goodwill (Note 5)</b>	3,042,100	3,042,100
<b>Intangible Assets - Net (Note 5)</b>	3,173,700	3,676,177
<b>Other Assets</b>		
Notes receivable - Net of current portion and allowance	6,141,012	3,817,222
Contract costs - Deferred broker fees - Net of current portion	333,167	384,167
Other noncurrent assets	36,747	30,067
	<u>6,511,126</u>	<u>4,251,456</u>
Total assets	<u><b>\$ 18,504,394</b></u>	<u><b>\$ 15,096,972</b></u>
<b>Liabilities and Member's Equity</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 296,253	\$ 464,639
Current portion of lease liabilities - Operating (Note 6)	222,449	-
Contract liabilities - Deferred revenue	116,500	117,750
Accrued liabilities	84,030	96,345
	<u>719,232</u>	<u>678,734</u>
Total current liabilities	719,232	678,734
<b>Related Party Payable (Note 7)</b>	3,431,356	3,113,395
<b>Lease Liabilities - Operating - Net of current portion (Note 6)</b>	454,100	-
<b>Other Long-term Liabilities</b>		
Contract liabilities - Deferred revenue - Net of current portion	768,918	867,855
Deferred payroll taxes	-	25,885
	<u>768,918</u>	<u>893,740</u>
Total liabilities	5,373,606	4,685,869
<b>Member's Equity</b>	13,130,788	10,411,103
Total liabilities and member's equity	<u><b>\$ 18,504,394</b></u>	<u><b>\$ 15,096,972</b></u>

**Statement of Operations**

**Years Ended December 31, 2022, 2021, and 2020**

	2022	2021	2020
<b>Net Revenue</b>			
Royalty fees	\$ 1,287,601	\$ 1,200,312	\$ 1,055,692
Advertising fund fees	280,718	269,068	245,384
Truck and equipment sales	1,952,053	1,888,594	817,750
Initial franchise fees	324,311	187,958	96,083
Corporate service revenue	4,918,623	3,186,563	26,979
Other	723,393	588,514	327,199
Total net revenue	9,486,699	7,321,009	2,569,087
<b>Cost of Revenue</b>	4,552,558	3,649,402	1,030,417
<b>Gross Profit</b>	4,934,141	3,671,607	1,538,670
<b>Sale of System Income</b>	1,650,000	912,000	30,000
<b>Operating Expenses</b>	4,089,130	3,122,262	1,804,106
<b>Operating Income (Loss)</b>	2,495,011	1,461,345	(235,436)
<b>Nonoperating Income - Interest income</b>	224,674	114,531	155,047
<b>Net Income (Loss)</b>	<b>\$ 2,719,685</b>	<b>\$ 1,575,876</b>	<b>\$ (80,389)</b>

**Statement of Member's Equity**

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**Years Ended December 31, 2022, 2021, and 2020**

<b>Balance</b> - January 1, 2020	\$ 9,209,345
Net loss	(80,389)
ASC 606 transition adjustment	<u>(293,729)</u>
<b>Balance</b> - December 31, 2020	8,835,227
Net income	<u>1,575,876</u>
<b>Balance</b> - December 31, 2021	10,411,103
Net income	<u>2,719,685</u>
<b>Balance</b> - December 31, 2022	<u><u>\$ 13,130,788</u></u>



**Statement of Cash Flows**

**Years Ended December 31, 2022, 2021, and 2020**

	2022	2021	2020
<b>Cash Flows from Operating Activities</b>			
Net income (loss)	\$ 2,719,685	\$ 1,575,876	\$ (80,389)
Adjustments to reconcile net income (loss) to net cash from operating activities:			
Depreciation	275,638	160,085	42,764
Amortization of intangible assets	391,630	398,164	345,000
Bad debt expense	38,716	25,065	274,389
Amortization - Right-of-use operating assets	193,966	-	-
Changes in operating assets and liabilities that (used) provided cash:			
Accounts receivable	(296,774)	(330,994)	(16,082)
Vehicle equipment held for sale to franchisees	(71,587)	(800,961)	(214,832)
Deferred broker fees	52,750	(231,750)	(127,250)
Prepaid expenses and other assets	(71,865)	(58,346)	(87,990)
Accounts payable	(168,386)	411,224	5,157
Accrued liabilities	(12,315)	84,605	(23,302)
Deferred revenue	(100,187)	292,042	323,917
Lease liability - Operating	(187,693)	-	-
Net cash provided by operating activities	2,763,578	1,525,010	441,382
<b>Cash Flows from Investing Activities</b>			
Cash paid for business combinations	(294,673)	(815,000)	-
Purchase of property and equipment	(262,807)	(814,782)	(305,190)
Proceeds from disposition of property and equipment	208,604	-	-
Issuance of notes receivable	(3,588,550)	(2,762,354)	(684,000)
Collections on notes receivable	929,219	1,208,410	355,765
Net cash used in investing activities	(3,008,207)	(3,183,726)	(633,425)
<b>Cash Flows from Financing Activities</b>			
Advance from related party	317,961	1,382,211	435,137
Deferred payroll taxes	(25,885)	-	25,885
Net cash provided by financing activities	292,076	1,382,211	461,022
<b>Net Increase (Decrease) in Cash</b>	47,447	(276,505)	268,979
<b>Cash - Beginning of year</b>	121,611	398,116	129,137
<b>Cash - End of year</b>	<u><u>\$ 169,058</u></u>	<u><u>\$ 121,611</u></u>	<u><u>\$ 398,116</u></u>
<b>Significant Noncash Transactions</b> - Leases entered into during the year	\$ 484,031	\$ -	\$ -

**December 31, 2022, 2021, and 2020**

**Note 1 - Nature of Business**

FW Fleet Clean, LLC (the "Company") is a wholly owned subsidiary of Fleetwash, Inc. (the "Parent") and provides franchise sales and support and other services related to franchise operations under the Fleet Clean 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 October 24, 2018 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.

**Note 2 - Significant Accounting Policies**

***Accounts Receivable***

Accounts receivable consist of amounts due from franchisees. An allowance for doubtful accounts is established based on a specific assessment of all invoices that remain unpaid following normal customer payment periods. All amounts deemed to be uncollectible are charged against the allowance for doubtful accounts in the period that determination is made. As of December 31, 2022, the Company had an allowance for doubtful accounts of \$25,000. No allowance for doubtful accounts receivable was deemed necessary based on management's estimates at December 31, 2021. Accounts receivable as of January 1, 2021 equaled \$183,722.

***Inventory - Vehicle Equipment Held for Sale to Franchisees***

Inventory consists of vehicle equipment held for sale at December 31, 2022 and 2021 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 2023.

***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.

***Goodwill***

The recorded amount of goodwill from the 2018 business combination is based on management's estimate of the fair value of assets acquired and liabilities assumed at the date of acquisition. Goodwill is assessed at least on an annual basis for impairment. No impairment charge was recognized during the years ended December 31, 2022, 2021, and 2020.

***Intangible Assets***

Acquired intangible assets subject to amortization are stated at cost and are amortized using the straight-line method over the estimated useful lives of the assets, which range from 4 to 10 years. Intangible assets that are subject to amortization are reviewed for potential impairment whenever events or circumstances indicate that carrying amounts may not be recoverable. Assets not subject to amortization are tested for impairment at least annually. No impairment charge was recognized during the years ended December 31, 2022, 2021, and 2020.

***Notes Receivable***

During the normal course of business, the Company may provide financing to franchisees in the form of notes.

**December 31, 2022, 2021, and 2020**

**Note 2 - Significant Accounting Policies (Continued)**

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 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, 2022 and 2021, notes receivable represent various collateralized loans bearing interest between 5 percent and 8 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 recorded an allowance for loan losses of \$95,000 in the accompanying financial statements for the years ended December 31, 2022 and 2021.

***Revenue Recognition***

The Company's revenue mainly consists of franchise fees, royalties, advertising fees, truck and equipment sales, and commercial vehicle cleaning services. The Company sells individual franchisees the right to operate a system within a defined territory using the franchise name. The initial term of franchise agreements 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 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 the goods are transferred to the franchisee. Income from commercial vehicle cleaning services is recognized at the point the services are performed for the customer.

The ASC 606 transition adjustment presented on the statement of member's equity relates to the adoption of the Accounting Standards Update, issued by the Financial Accounting Standards Board, that amends the guidance for revenue recognition. The amendment was adopted on January 1, 2020. Under the new standard, as described below, franchise fees and broker commissions are now being deferred over the contract period.

**December 31, 2022, 2021, and 2020**

**Note 2 - Significant Accounting Policies (Continued)**

**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 sheet 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. 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 deferred revenue in the accompanying balance sheet. Total deferred revenue at January 1, 2021 was \$693,563.

**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 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. Total deferred broker fees at January 1, 2021 were \$203,167. In 2022 and 2021, the amounts expensed related to costs to obtain a franchise agreement were \$49,000 and \$27,250, respectively.

**Sale of a System Income**

The Company recognizes system sale income when an already developed Fleet Clean 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.

**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 operations as net revenue.

December 31, 2022, 2021, and 2020

## Note 2 - Significant Accounting Policies (Continued)

Advertising expense is expensed as incurred. Advertising expense for the years ended December 31, 2022, 2021, and 2020 was \$516,713, \$407,050, and \$336,487, respectively. As of December 31, 2022, 2021, and 2020, the Company had overspent advertising funds by \$235,995, \$137,982, and \$91,103, respectively.

### **Leases**

The Company has operating leases for office space and vehicles.

The Company recognizes expense for operating leases on a straight-line basis over the lease term.

The Company elected to use the risk-free rate as the discount rate for calculating the right-of-use asset and lease liability in place of the incremental borrowing rate for all leases.

### **Income Taxes**

The Company is treated as a partnership for federal income tax purposes. Consequently, federal income taxes are not payable or provided for by the Company. The Company's ultimate parent company files income tax returns in U.S. federal and various state jurisdictions.

### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles 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. Actual results could differ from those estimates.

### **Subsequent Events**

The financial statements and related disclosures include evaluation of events up through and including May 30, 2023, which is the date the financial statements were available to be issued.

### **Upcoming Accounting Pronouncement**

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments*. The ASU includes changes to the accounting and measurement of financial assets, including the Company's accounts receivable, by requiring the Company to recognize an allowance for all expected losses over the life of the financial asset at origination. This is different from the current practice where an allowance is not recognized until the losses are considered probable. The new guidance will be effective for the Company's year ending December 31, 2023. Upon adoption, the ASU will be applied using a modified retrospective transition method to the beginning of the earliest period presented. The Company is currently evaluating the impact this standard will have on the financial statements.

## Note 3 - Business Combinations

On August 1, 2022, the Company acquired certain assets of SUD'S Pressure Wash, LLC, which operated a franchise in the Fleet Clean franchise system. The purchase price was \$126,150, all of which was paid in cash, including related transaction costs, which were insignificant. Total assets of \$126,150 were recognized and allocated as follows: \$82,500 of a franchise right intangible asset and \$43,650 of vehicles held for sale. The acquired franchise right intangible asset will be amortized over seven years.

On November 1, 2022, the Company acquired certain assets of PHL FC, LLC, which operated a franchise in the Fleet Clean franchise system. The purchase price was \$168,523, all of which was paid in cash, including related transaction costs, which were insignificant. Total assets of \$168,523 were recognized and allocated as follows: \$68,962 of a franchise right intangible asset and \$99,561 of vehicles held for sale. The acquired franchise right intangible asset will be amortized over seven years.

**Notes to Financial Statements**

**December 31, 2022, 2021, and 2020**

**Note 3 - Business Combinations (Continued)**

On August 1, 2021, the Company acquired certain assets of Snake River Fleet Services, LLC, which operated a franchise in the Fleet Clean franchise system. The purchase price was \$150,000, all of which was paid in cash, including related transaction costs, which were insignificant. Total assets of \$150,000 were recognized and allocated as follows: \$122,299 of a franchise right intangible asset and \$27,701 of vehicles held for sale. The acquired franchise right intangible asset will be amortized over seven years.

On January 11, 2021, the Company acquired certain assets of Detail Pros, Inc., which operated two franchises in the Fleet Clean franchise system. The purchase price was \$665,000, all of which was paid in cash, including related transaction costs, which were insignificant. Total assets of \$665,000 were recognized and allocated as follows: \$311,000 of two franchise right intangible assets and \$354,000 of vehicles held for sale. The acquired franchise right intangible assets will be amortized over seven years.

The primary reason for the aforementioned acquisitions is to sell the developed systems to prospective franchise owners looking to enter the Fleet Clean system. As purchase price equaled the fair value of acquired assets, no goodwill was recorded for either acquisition.

**Note 4 - Property and Equipment**

Property and equipment are summarized as follows:

	2022	2021	Depreciable Life - Years
Vehicles	\$ 453,958	\$ 590,386	3-6
Furniture, fixtures, and equipment	331,018	228,590	3-7
Computer equipment and software	59,855	59,855	3-5
Leasehold improvements	321,947	311,846	3-5
Total cost	1,166,778	1,190,677	
Accumulated depreciation	397,246	223,529	
Net property and equipment	<u>\$ 769,532</u>	<u>\$ 967,148</u>	

Depreciation expense for the years ended December 31, 2022, 2021, and 2020 was \$275,638, \$160,085, and \$42,764, respectively.

**Notes to Financial Statements**

**December 31, 2022, 2021, and 2020**

**Note 5 - Intangible Assets and Goodwill**

Intangible assets and goodwill of the Company at December 31, 2022 and 2021 are summarized as follows:

	2022		2021	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Amortized intangible assets:				
Royalty rights	\$ 3,466,261	\$ 1,392,561	\$ 3,633,299	\$ 1,073,164
Restrictive covenants	100,000	100,000	100,000	83,958
Total amortized intangible assets	3,566,261	1,492,561	3,733,299	1,157,122
Unamortized intangible assets and goodwill:				
Trade name	1,100,000	-	1,100,000	-
Goodwill	3,042,100	-	3,042,100	-
Total unamortized intangible assets and goodwill	4,142,100	-	4,142,100	-
Total amortized and unamortized intangible assets	<u>\$ 7,708,361</u>	<u>\$ 1,492,561</u>	<u>\$ 7,875,399</u>	<u>\$ 1,157,122</u>

Amortization expense for intangible assets totaled \$391,630, \$398,164, and \$345,000 for the years ended December 31, 2022, 2021, and 2020, respectively.

Estimated amortization expense for the years ending December 31 is as follows:

Years Ending	Amount
2023	\$ 353,111
2024	353,111
2025	353,111
2026	353,111
2027	353,111
Thereafter	308,145
Total	<u>\$ 2,073,700</u>

**Note 6 - Leases**

The Company is obligated under operating leases primarily for office buildings, expiring at various dates through March 2027. The right-of-use asset and related lease liability have been calculated using discount rates ranging from 1.04 percent to 2.93 percent. In determining the lease term, the Company included auto renewal clauses for any leases where that renewal extended beyond one year. The weighted-average discount rate is 1.99 percent. The weighted-average remaining lease term is approximately 40 months. The leases require the Company to pay taxes, insurance, utilities, and maintenance costs. Total rent expense under these leases was \$389,880, \$281,403, and \$58,073 for the years ended December 31, 2022, 2021, and 2020, respectively. Total cash payments for rent under these leases totaled \$383,607 for the year ended December 31, 2022.

Lease expense for operating leases includes \$183,676, \$96,817, and \$11,160 related to leases classified as short-term leases during the years ended December 31, 2022, 2021, and 2020, respectively.



December 31, 2022, 2021, and 2020

**Note 6 - Leases (Continued)**

Future rent on operating leases as of December 31, 2022 for each of the next five years, and in the aggregate, is as follows:

Years Ending December 31	Amount
2023	\$ 234,082
2024	210,706
2025	153,644
2026	82,500
2027	20,700
Total	701,632
Less amount representing interest	25,083
Present value of lease payments	676,549
Less current obligations	222,449
Long-term obligations under leases	\$ 454,100

**Note 7 - Related Party Transactions**

As of December 31, 2022 and 2021, the Company has an outstanding payable due to Fleetwash, Inc. in the amount of \$3,431,356 and \$3,113,395, respectively. This consists of services performed by Fleetwash, Inc. on behalf of the Company. There is no formal agreement or payment terms for the outstanding obligation.

**Accounts Receivable**

At December 31, 2022, the Company had accounts receivable from Fleetwash, Inc. totaling \$163,151 for Fleetwash subwork performed by the Company.

**Note 8 - Adoption of New Accounting Pronouncement**

As of January 1, 2022, the Company adopted Financial Accounting Standards Board Accounting Standards Update No. 2016-02, *Leases*. The ASU requires lessees to recognize a right-of-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of operations. The Company elected to adopt the ASU using the modified retrospective method as of January 1, 2022 and applied the following practical expedients:

- The Company did not reassess if expired or existing contracts are or contain a lease.
- The Company did not reassess the lease classification for expired or existing leases.
- The Company did not reassess initial direct costs for any existing leases.

As a result of the adoption of the ASU, the Company recorded a right-of-use asset of \$380,211 and a lease liability of \$380,211 as of January 1, 2022 for existing operating leases. There was no impact on retained earnings as a result of adopting the new ASU.



## EXHIBIT N

### 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 FW Fleet Clean, 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	1/3/2023 (Exempt)
Hawaii	Pending
Illinois	Pending
Indiana	N/A (Exempt)
Maryland	Pending
Michigan	2/2/2023
Minnesota	Pending
New York	10/26/2020 (Exempt)
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	11/9/2022 (Exempt)
Wisconsin	6/23/2023

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 FW Fleet Clean, 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 FW Fleet Clean, 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	921 Empire Mesa Way, Henderson, NV 89011	(877) 477-WASH (9274)
Dale Waite	921 Empire Mesa Way, Henderson, NV 89011	(877) 477-WASH (9274)
Keri McGrath	921 Empire Mesa Way, Henderson, NV 89011	(877) 477-WASH (9274)
Juan Carillo	921 Empire Mesa Way, Henderson, NV 89011	(877) 477-WASH (9274)
Vince DiCarlo	921 Empire Mesa Way, Henderson, NV 89011	(877) 477-WASH (9274)
Jacob Hathaway	921 Empire Mesa Way, Henderson, NV 89011	(877) 477-WASH (9274)
Darrell Lewis	921 Empire Mesa Way, Henderson, NV 89011	(877) 477-WASH (9274)

FW Fleet Clean, LLC authorizes the respective state agencies identified on **Exhibit A** to receive service of process for it in that particular state.

Issuance Date: May 30, 2023. I received a Disclosure Document dated May 30, 2023 that included the following Exhibits:

- A. LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS
- B. FW 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. TABLE OF CONTENTS OF THE MANUAL
- K. STATE SPECIFIC ADDENDA AND RIDERS
- L-1. FLEET CLEAN FRANCHISED BUSINESSES
- L-2. FLEET CLEAN FORMER FRANCHISEES
- M. FINANCIAL STATEMENTS
- N. RELEASE

Signature: \_\_\_\_\_  
Date Received: \_\_\_\_\_

Signature: \_\_\_\_\_  
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**Retain this copy for your records.**

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Signature: \_\_\_\_\_  
Date Received: \_\_\_\_\_

Signature: \_\_\_\_\_  
Date Received: \_\_\_\_\_

**Return this copy to us at by email to [kmason@fleetcleanusa.com](mailto:kmason@fleetcleanusa.com)**