



FRANCHISE DISCLOSURE DOCUMENT

www.corporatecleaninggroup.com

FRANCHISE DISCLOSURE DOCUMENT
CORPORATE CLEANING GROUP® FRANCHISE SYSTEMS LLC

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The franchise is for the establishment and operation of a CORPORATE CLEANING GROUP business providing commercial, industrial and institutional cleaning and maintenance services (“CORPORATE CLEANING GROUP Business or CORPORATE CLEANING GROUP Businesses”).

The total investment necessary to begin operation of a CORPORATE CLEANING GROUP Business is from \$70,240 to \$109,164. This includes an initial franchise fee of \$49,000 (for the 1st unit) that must be paid to us.

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 fourteen (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 government 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, contact the Chief Operating Officer of Corporate Cleaning Group Franchise Systems LLC, 39201 Schoolcraft Road, Suite B12, Livonia, MI 48150, (734) 522-1144.

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. For information on franchising, such as “*A Consumer’s Guide to Buying a Franchise*,” which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C., 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them

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How to Use this Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 includes and Exhibit A includes financial statements. Review these statements carefully.
Is the franchise system stable, growing or shrinking?	Item 20 summarizes the recent history of the number of company owned and franchised outlets.
Will my business be the only Corporate Cleaning Group business in the area?	Item 12 and the "territory provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's is like to be a Corporate Cleaning Group franchisee?	Item 20 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 or services from the franchisor or a limited group of suppliers the franchisor designates. These items or services may be more expensive than similar items or services 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 operations.

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 your 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 C.

Your state also may have laws that require special disclosure or amendments to 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.

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. **REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.**

Call the state franchise administrators listed in Exhibit C for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR FRANCHISED BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN MICHIGAN. OUT- OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN MICHIGAN THAN IN YOUR OWN STATE.

2. THE FRANCHISE AGREEMENT STATES THAT MICHIGAN LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay these persons a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

NOTICE REQUIRED BY THE STATE OF MICHIGAN

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

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

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

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

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

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

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a 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 subdivision (c).

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

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ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

Franchisor

The franchisor, Corporate Cleaning Group Franchise Systems LLC, is a Michigan limited liability corporation formed on April 17, 2007, with its principal business address at 39201 Schoolcraft Road, Suite B12, Livonia, MI 48150 (“We”, “Us”, or “CCGFS”).

We began offering franchises to establish and operate CORPORATE CLEANING GROUP Businesses under the Licensed Marks and the System and under the terms of the Franchise Agreement (as defined below), in June 2007.

Other than through our affiliates (as discussed below), we do not operate businesses of the type being offered to you. We do not do business under any other name nor have we offered franchises in any other line of business. We have no other business activities.

Franchisee

The franchisee is the person to whom we grant a franchise and is referred to as “you”. If you are a corporation or a limited liability company, certain provisions of this Franchise Disclosure Document also apply to your owners and are noted.

Affiliates

One Source Cleaning, Inc. (“OSCI”) has been doing business as Corporate Cleaning Group since August 2000 and operates a commercial cleaning business in two territories similar to the type you will operate, located in Livonia, Michigan and Lansing, Michigan. OSCI began operating the Livonia, Michigan location in March 1995.

Our affiliate, Corporate Cleaning Group Inc., is a Kansas corporation formed on March 13, 2003, with its principal business address at 9822 Pflumm Rd., Lenexa, KS 66215 (“CCGI”). Since its formation in 2003, CCGI has operated a commercial cleaning business of the type you will operate in Lenexa, Kansas and its surrounding areas.

Our affiliates do not offer, and have not previously offered, franchises in any line of business.

Description of the Franchise Offered

Our affiliates developed and subsequently assigned to us a proprietary system (the “System”) for the establishment and operation of CORPORATE CLEANING GROUP Businesses, which provide cleaning and maintenance services in commercial, industrial, institutional and other niche market fields.

You will be granted the exclusive right within a defined geographic area (the “Protected Area”) which will be described in Exhibit A to the Franchise Agreement, to own and operate a CORPORATE CLEANING GROUP Business (the “Franchised Business”), offering the services we approve utilizing our methods, specifications, standards, operating and marketing procedures and certain proprietary trademarks, domain names, service marks and other commercial symbols, including, without limitation, CORPORATE CLEANING GROUP® (the “Licensed Marks”).

Competition

Your competition will include national and local businesses offering janitorial and maintenance services. The market for commercial cleaning services is highly developed in some areas and is developing in other areas.

State Regulations

There are no regulations specific to the operation of a CORPORATE CLEANING GROUP Business. You must review with your attorney any state laws and regulations that affect the operation of your Franchised Business. You must operate your Franchised Business in compliance with state laws and regulations.

Certain laws govern businesses, such as Title VII of the Civil Rights Act of 1964 and other similar laws relating to employment discrimination and harassment, the Americans with Disabilities Act, the Federal Wage and Hour Law and the Occupation, Health and Safety Act.

ITEM 2

BUSINESS EXPERIENCE

Chief Executive Officer: Devin Dollar

Mr. Dollar has been Chief Executive Officer of CCGFS since its inception. From March 13, 2003 to present, he has served as Secretary of OSCI and CCGI. Mr. Dollar started his career in personnel management.

Chief Operating Officer: Leonard M. Yakuber

Mr. Yakuber has been Chief Operating Officer of CCGFS since its inception. He has been the President and Founder OSCI since March 17, 1995. Mr. Yakuber started his career as a manufacturing representative, with sales and operations over a 10-state area. He has an educational background in Business Administration.

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

You must pay us an initial franchise fee in a lump sum when you sign the Franchise Agreement. Our standard initial franchise fees, which will be paid at the same time, currently are:

1st unit: \$49,000

2nd unit: \$40,000

3rd unit: \$35,000

4th unit: \$30,000

Each unit is a single franchised premises and Protected Area for a distinct Franchise Business, acquired by you or your affiliate. These fees are charged uniformly to all new franchisees. The initial franchise fee is fully earned when paid and is not refundable under any circumstance.

**ITEM 6
OTHER FEES**

NAME OF FEE	AMOUNT	DUE DATE	REMARKS
Royalty Fee	5.5% of Gross Revenue from all your services or, starting after the 6th month, \$500 per month minimum, whichever is greater.	Paid to us monthly on the Gross Revenue invoiced for the previous month. Royalty Fees must be paid by electronic funds transfer and are due and payable on the 10th of each month for the Gross Revenue invoiced for the preceding month.	Gross Revenue is all revenue from the Franchised Business. There is a Veteran's Discount available to U.S. Veterans: 0% royalties for the first 6 months of operations, then 2.75% of Gross Revenue from all your services or \$250 per month minimum for the 7th through 12th months of operations.
National or Regional Advertising Fund	Currently 0%, but we may raise it to as much as 2% of Gross Revenue	Paid with the Royalty Fee payment each month via electronic funds transfer.	We have not yet established an Advertising Fund; however, we reserve the right to do so at any time. When we establish an Advertising Fund, you will pay us a monthly fee of 2% of Gross Revenue.
Individual Local Marketing Fee	1.5% of Gross Revenue	Paid with the Royalty Fee payment each month via electronic funds transfer.	Individual local advertising and marketing requirements and features are discussed in Item 11.
Interest	Greater of 1.5% per month (18% per year) or 3% over prime rate per annum (or the greatest amount allowed by law, whichever is less)	If you are late in payments, you will be assessed and must pay interest.	

Transfer Fee	\$15,000 plus all brokerage commissions, finder fees and similar charges incurred by us in connection with the transfer of your franchise. This is non-refundable.	On our request, prior to and as a condition of our consent to any proposed transfer.	Payable to us upon request for a transfer as a condition of approval for transfer after we have approved the transferee. No fee for transfer to corporation, trust or entity that you own or control other than our costs to evaluate the proposed transfer.
Audit	Cost of audit plus 1.5% interest per month from date of due date.	15 days after billing.	Payable if audit shows an understatement of fees by 2%.
Supplemental In-Person Consulting Services Fee	\$250.00 per person per day	Upon invoice from Franchisor.	We will provide initial training and training materials for you and your managers. We may, however, provide additional and supplemental in-person training to you. We have the right to charge you \$250 per person per day for such additional training, plus travel and living expenses for the trainer.
Renewal Fee	\$5,000	Payable to us on execution of new Franchise Agreement, no later than 30 days before expiration of initial 10-year term or the first renewal term.	When your agreement term ends, you will have the option to continue the franchise relationship with us, subject to certain conditions.
Late Fee	\$25 per day or the maximum permitted by applicable law, whichever is less, for each day in which any amounts owed to us are unpaid.	With payment of overdue amount.	We can charge a Late Fee to compensate us for our administrative costs incurred in enforcing your obligation to pay us and submit required reports to us.
Indemnification (1)	Amount of claims	As incurred.	You must reimburse us if we incur any damages, losses, or expenses, including reasonable attorneys' fees and other costs, as a result of claims arising from the operation of your Business.
Reimbursement	Amounts we expend on your behalf to cover payments due from you to third parties plus an administrative charge of 10% of such amounts or the maximum permitted by applicable law, whichever is less.	On Demand	You are obligated to reimburse us for any amounts that you owe to third parties and which we pay on your behalf plus an administrative charge.
Cooperative Advertising	Currently there are no advertising co-ops. If advertising co-ops are established by us, you may be required to contribute as approved by a majority vote of the members of the co-op.	Established by co-op	Not currently assessed. If the Franchisor forms a regional advertising or brand awareness co-op, you must contribute to the co-op. Any amount you must contribute to the co-op will be credited against the required local advertising fee.

Annual Conference Fee	Initially \$0. Currently there is no annual conference. We reserve the right to charge up to \$1000 or then current-registration fee.	Annually	Payable to us. Travel, lodging and food expenses will be in addition to the registration fee, some of which may be discounted or subsidized by us. You may be charged the Annual Conference Fee whether you attend or not.
Phone Systems	\$38 \$15 add fax line	Monthly	Payable to us. We will provide phone service for franchisees who have a separate office. We reserve the right to increase the phone systems fee upon 30 days' prior written notice.
Technology Fees	Currently: Team Software - \$7.35 for each of your employees Microsoft Office Suite - \$12.50 per month per user Learning Zen - \$35 per month Intacct – \$78 Paychex - based on number of employees and location2	Paid with the Royalty Fee payment each month via electronic funds transfer. \$150 paid annually per user when billed by us Paid with the Royalty Fee payment each month via electronic funds transfer. Monthly Monthly	Paid directly to us. This fee covers timekeeping and field management software Paid directly to us. This fee covers business software for productivity applications Payable to vendor Payable to vendor We reserve the right to increase the Technology Fees as needed, upon 30 days' written notice to you
Website Fee	\$1,200	On demand.	Paid directly to us. This fee provides you with an individual location page on the main corporate website as well as a microsite.
Non-Compliance Fee	\$100 per infraction per week, as determined by us in our sole discretion.	As incurred	We may charge you a weekly fee of \$100 per infraction if your business is not in compliance with our specifications or the franchise agreement.

All fees described in Item 6 and except as otherwise noted above, are uniformly imposed on all franchisees and are collected by and/or payable to us. Except as noted above, all fees are nonrefundable.

Before your Franchised Business opens, you must sign and deliver to us the documents we require to authorize us to debit your Franchised Business checking account automatically for the Royalty Fee and any other amounts due under the Franchise Agreement and for your purchases from us and our affiliates.

1. You must indemnify us and our respective owners, employees, and officers for any claims relating to the operation of your Business, and for all costs incurred relating to any default by you under the Franchise Agreement.

2. The current fees for Paychex:

Paychex	Payroll, Hiring, On-Boarding	Cost	Unit	Note
<i>billed by Vendor</i>	Paychex Payroll	2.25	per employee	
	Flex On-Boarding	0.33	per employee	
	Flex Hiring	0.43	per employee	
	TaxPay Locals	3.00	per payroll	This varies by location
	Delivery Fee	20.00	per payroll	Estimate - this varies by location
	W-2 Forms	2.36	per employee	
	W-2 Handling Fee	8.22	per year	

ITEM 7

ESTIMATED INITIAL INVESTMENT YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	ESTIMATED AMOUNT (Low-High)	TO WHOM PAYMENT IS MADE	METHOD OF PAYMENT	WHEN DUE	REFUNDABLE? IF "YES", UNDER WHAT CIRCUMSTANCES?
Initial Franchise Fee ⁽¹⁾	\$49,000	Us	Lump Sum	At signing of Franchise Agreement	No
Website Fee ⁽²⁾	\$1,200	Us	As Incurred	Before Opening	No
Initial Marketing Program ⁽³⁾	\$5,000	Us	As Incurred	Before Opening	No
Telephone System ⁽⁴⁾	\$0 - \$464	Us	As Incurred	Before Opening	No
Travel and living expenses while training	\$1,000 to \$4,000	Vendors	As Incurred	During Training	No
Real Estate and Leasehold Improvements ⁽⁵⁾	\$0-\$3000	As incurred	As incurred	As Incurred	No
Equipment Chemicals	\$1,000 to \$3,000	Suppliers and Vendors	As Negotiated	Before Opening	No
Computer Hardware	\$1,500 to \$3,000	Vendors	As Negotiated	Before Opening	No
Uniform Starter Kit ⁽⁶⁾	\$165 to \$250	Us	As Incurred	Before Opening	No
Insurance ⁽⁷⁾	\$875 to \$3,500	Insurance Company	As Negotiated	As Negotiated, Semi-Annual, Quarterly or Monthly	No

Professional Services ⁽⁸⁾	\$0 - \$5,000	Vendors	As Incurred	As incurred	No
Business Licenses and Permits ⁽⁹⁾	\$0 - \$250	Third Parties	As Incurred	As Incurred	
Additional Funds (180 days) ⁽¹⁰⁾	\$10,500 to \$31,500	Employees, Vendors, Suppliers	As Incurred	As Incurred	No
High-Low Estimate Totals⁽¹¹⁾	\$70,240 to \$109,164				

(1) The initial franchise fee is \$49,000.

(2) We will provide you with an individual location page on the main corporate website and a Micro Site with a separate URL / web address that is customized for your territory.

(3) Initial Marketing is a boost program for the first 90-days that you are open and is intended to generate awareness within your Protected Area of the opening of your Franchised Business. Money will be allocated to execute an integrated marketing plan which may include postcards, SEO, email and calling. Item 11 contains more information on the Initial Marketing Program.

(4) You must pay this fee if you choose not to use your own personal cell phone for your Franchised Business or if you have office space.

(5) There is no requirement that you purchase or lease any real estate or office space. You may conduct your Franchised Business from your personal residence. If you lease office space, the size of the office is dependent upon the size of your Franchised Business operation. The total cost of deposits, build out and monthly rent will depend on factors such as the size, condition and location of the leased premises.

(6) You will order the brand-standard t-shirts with the Corporate Cleaning Group logo for employees and collared polo shirts with the Corporate Cleaning Group logo for managers from us. You will be billed for the quantity ordered plus shipping. This initial fee is dependent on the number of t-shirts and polo shirts ordered for your employees.

(7) Only 25% of the annual premium is due on enrolling in coverage. You will pay the balance in equal monthly installments. The amount of the policy will be based on the number of employees and your general liability needs.

(8) You may need to engage professionals such as attorneys and accountants to assist you in establishing your business entity, if any, and to provide professional advice on this franchise offering, the lease, if any, taxes and other legal and financial matters. Rates for professionals can vary significantly based on area and expertise.

(9) You must obtain the required licenses and permits that are required by your city, county and state to operate your Franchised Business.

(10) As accounts are established you will be required to purchase or lease commercial vacuum cleaners, auto scrubbers, trash cans, misc. cleaning supplies, carpet extractors, auto scrubbers, commercial floor polishers, and/or wet/dry vacuums. The equipment you will need will be based on the type and size of your customer accounts. In addition, you will need to purchase required chemicals as established in our Operations Manual. We do not require you to purchase or lease any special vehicle for transportation of the equipment to the job site. We encourage you to develop relationships with many of your customers, such as large churches and institutions to store equipment on the job site. If you currently own or lease an automobile, that vehicle may be appropriate for the transportation involved in servicing your accounts. A majority of Additional Funds will likely go towards payroll costs. The size and number of your accounts will dictate amount of equipment, chemicals and payroll costs that you will need.

(11) This covers your initial startup expenses for the first 180 days of operation of your Franchised Business and includes additional funds required to pay for labor and employment, payroll, insurance premiums, miscellaneous costs and expenses and any legal or accounting expenses during the initial phase of your Franchised Business operation. We relied upon our experience in opening and developing businesses similar to your Franchised Business in Detroit, Michigan and Lenexa, Kansas. These figures may vary and are only estimates of your initial startup expenses. You should review these figures carefully with a business advisor before deciding to acquire the franchise. We do not offer financing directly or indirectly for any part of the initial investment. The availability and the terms of financing depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and lending policies of financial institutions from which you request a loan.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

In order to maintain the quality and uniformity of services offered by your Franchised Business, you must purchase certain products and services from suppliers designated or approved by us.

We do maintain approved supplier criteria; however, these criteria are not issued to you. Specifications and standards for these products and services are formulated by us in our sole discretion and are not issued to you or approved suppliers. However, approved brands and types of materials, equipment and supplies are communicated to you in the Operations Manual and in other forms of written communication.

We estimate the cost of the goods and services you must purchase from us and from suppliers designated or approved by us will be approximately 15% to 20% of your total purchases in establishing and operating your Franchised Business.

We reserve the right to designate certain approved suppliers in the Operations Manual. If we designate a certain approved supplier in the Operations Manual, you must purchase from that approved supplier and we will not grant you the right to use alternative suppliers other than those designated in the Operations Manual.

We have designated Hillyard Products, Inc., in the Operations Manual, as the only approved suppliers of certain specified chemicals that you are required to use in the operation of your Franchised Business. You are required to purchase the specified chemicals from this supplier and we will not permit you to use any other suppliers for these chemicals. We may receive commissions or rebates from this supplier equal to 5% of the purchase price paid by you.

We will require you to maintain a computer and specific software necessary to provide you with accounting systems, payroll and time tracking activities. Currently, you must use Intacct Software ("Intacct") in the operation of your Franchised Business. Intacct is an online accounting system that will provide real-time business visibility through the use of dashboards and reports. Because Intacct is cloud based you will be able to access your financial records at anytime from anywhere. We will be able to view data utilized in dashboards and financial reporting to monitor franchisee operations. We have designated Maner Costerisan, a large accounting and business advisory firm headquartered in Lansing, Michigan, as the designated supplier for Intacct. We will also require you to use Paychex for payroll and the Team Software suite for time tracking.

You must use a payroll software that has time tracking capabilities. We currently require you to use Paychex and Team Software. Paychex is a payroll company and Team Software is a time tracking software. They will pay us an administrative fee for time tracking to reimburse us for our role in the process, which will equal less than 0.5% of what you pay them.

We also reserve the right to designate other approved suppliers in other forms of written communications, including by email. For any supplier that we have not designated in the Operations Manual, we may grant you the right to use an alternative supplier if you follow the procedures described in this paragraph. If you propose to purchase any product or service from a supplier which has not been approved by us in writing, you must first notify us in writing and submit to us sufficient samples of the product or service to be purchased from the alternative supplier and provide any other information necessary for us to determine whether the product or service complies with our specifications and standards, and/or the supplier meets our approved supplier criteria. Our determination will be made and communicated in writing to you within 30 days after receipt of the product or service and/or the other information from you or the proposed alternative supplier.

In addition to the commissions or rebates we receive from chemical suppliers, we may, in the future, receive revenue in the form of rebates or commissions from approved suppliers which will be based on the purchase price of products or services, purchased by you and other franchisees from such approved suppliers and in such case the precise basis of revenue to us will be a commission or rebate equal to 1% to 10% of the purchase price of such products and services from such approved supplier.

In the fiscal year ending December 31, 2020, our revenue from the sale of required products and services to franchisees and from approved suppliers based on the purchase of products and services by franchisees from approved suppliers was \$4,832 or 1.5% of our total revenue of \$322,375.

Insurance

During the term of the Franchise Agreement, you must obtain and maintain, at your expense, the insurance coverage that we periodically require and you must satisfy other insurance related obligations.

Currently, you are required to obtain the following insurance coverage:

1. Comprehensive general liability insurance;
2. Motor vehicle liability insurance with not less than \$1,000,000 minimum coverage;
3. Comprehensive public liability coverage with a minimum of \$1,000,000 per occurrence;
4. Umbrella liability policy in the amount of not less than \$2,000,000;
5. Worker's compensation insurance as required by law; and
6. Any other coverage required by law or your lease.

You must obtain the required insurance from Professional Insurance Associates, 3028 S Wayne Rd, Wayne, MI 48184, (734) 722-3500. The cost of premiums will depend upon the insurance carrier's charges, terms of payment, the size of your staff and your history.

All insurance policies must name CCGFS as an additional insured.

All insurance policies shall be written in compliance with the standards, specifications, coverage and limits set forth in the Operations Manual or otherwise provided to you in writing. We may also reasonably increase the minimum liability required coverage annually and require different or additional kinds of insurance to reflect inflation, changes in standards of liability, higher damage awards in the industry, or other relevant changes and circumstances. You must submit to us annually a copy of the certificate of insurance or evidence of the renewal or extension of each insurance policy or any modifications to any insurance policies. If at any time you fail or refuse to maintain in effect any insurance coverage required by us, or to furnish satisfactory evidence of that insurance, we may, at our option and in addition to other rights and remedies we may have, obtain insurance coverage, on your behalf, and you agree to properly execute any applications or other forms or instruments required to obtain any insurance and pay to us on demand any cost and premiums we incur. Your obligation to obtain and maintain the insurance coverage described here and in the Franchise Agreement is a material obligation of the Franchise Agreement. Failure to comply shall constitute good cause for termination of the Franchise Agreement.

Advertising Materials

There currently are no purchasing or distribution cooperatives. We may negotiate purchase arrangements with suppliers, which may include price and terms, for the benefit of the franchise system. We do not provide material benefits to you based on your purchase of particular products or services or use of particular suppliers.

None of our officers have an ownership interest in any supplier of products or services to you, except for products and services provided by the franchisor.

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 OTHER ITEMS OF THIS FRANCHISE DISCLOSURE DOCUMENT.

OBLIGATION	SECTION IN AGREEMENT	ITEM IN FRANCHISE DISCLOSURE DOCUMENT
A. Site selection and acquisition	Section 4	Item 11
B. Pre-opening purchases	Section 5	Item 8
C. Site development and other pre-opening requirements	Sections 4 and 5	Item 7, 8, and 11
D. Initial and ongoing training	Section 5	Item 11
E. Opening	Section 5	Item 11
F. Fees	Section 9	Item 5 and 6
G. Compliance with standards and policies/Operating Manual	Section 5 and 10	Item 11
H. Trademarks and proprietary information	Section 6 and 7	Item 13 and 14
I. Restriction on products/services offered	Section 10	Item 8 and 16
J. Warranty and customer service requirements	Section 10	Item 11
K. Territorial development and sales quotas	Section 2 and 5	Item 12
L. Ongoing product/service purchases	Section 10	Item 8
M. Maintenance, appearance and remodeling requirements	Section 10	Item 11
N. Insurance	Section 10	Item 6 and 7
O. Advertising	Section 12	Item 6 and 11

P. Indemnification	Section 8, 10, 15 and 19	Item 6
Q. Owner's participation/management/staffing	Section 10	Item 11 and 15
R. Records/reports	Section 13	Item 11
S. Inspections/audits	Section 13 14	Item 6 and 11
T. Transfer	Section 15	Item 17
U. Renewal	Section 16	Item 17
V. Post-termination obligations	Section 18 and 19	Item 17
W. Non-competition covenants	Section 18	Item 17
X. Dispute resolution	Section 20	Item 17

**ITEM 10
FINANCING**

We do not offer any direct or indirect financing to our franchisees. We are unable to estimate whether you will be able to obtain financing for any of your investment and, if you are able to obtain financing, we cannot predict the terms of the financing. We do not receive payment from any person for obtaining or placing financing. We do not guarantee your obligations to third parties.

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, we are not required to provide you with any assistance. Before you open your Franchised Business, we will:

1. Grant you the right to operate a CORPORATE CLEANING GROUP Business and grant you a license to use our Licensed Marks in a specific geographic territory on an exclusive basis (Franchise Agreement Section 6).
2. Loan you our confidential Operations Manual and training materials.
3. Provide you with our initial training program.
4. Provide you with a list of approved products, supplies and chemicals and approved suppliers.

Site Selection

We are not required to provide site selection assistance to you. We may at our discretion provide advice and support for a site search at your request.

Time for Opening

The typical length of time between the signing of the Franchise Agreement and the opening of the Franchised Business is generally 60 days. Factors affecting this length of time usually include arranging financing, successfully completing training and other possible factors.

Initial Training Program

Before the opening of your Franchised Business, we will provide you and your managers with a five to seven-day initial training program on the operation of your Franchised Business. There will be no fee for the initial training program. You will, however, be solely responsible for the compensation, travel, lodging and living expenses incurred by you and your managers during the initial training program or any supplemental or refresher training programs.

The initial operational training program consists of classes at our affiliates' offices in Livonia, Michigan or at other designated locations. A representative of ours will travel to your market area to provide you and your managers with the sales training portion of the initial training program. You will pay for the cost of travel and lodging for that representative. The training program will include instruction relating to the operation of the Franchised Business, cost and cash control, customer marketing, customer service, bid procedures, employee's scheduling and methods of controlling operating costs. Training will cover management roles as well as job functions of employees.

After the opening of the Franchised Business, we may provide additional training as we may prescribe in our sole discretion and as we determine as to frequency and time to you and your employees. We have the right to assess your reasonable charges for any supplemental or ongoing training, based on trainer time.

In addition, we recommend, but do not require you to attend and participate in any franchisee conference that may be held by us throughout the term of the Franchise Agreement.

The initial training program is outlined as follows:

TRAINING PROGRAM

Initial Training Program			
Subject	Hours of Classroom Training	Hours of On-The Job Training	Location
Technology & System Knowledge	6	0	Livonia, MI or other designated location
Recruitment, Hiring & Onboarding	2.5	1	Livonia, MI or other designated location

History, Philosophy & Values	2	0	Livonia, MI or other designated location
Accounting, Billing & Reporting	1	0	Livonia, MI or other designated location
Social Media & Branding	1	0	Livonia, MI or other designated location
Cleaning Equipment & Best Practices	2	2	Livonia, MI or other designated location
Cleaning Operations	10	7	Livonia, MI or other designated location
OR Certification	2	2	Livonia, MI or other designated location
Floor Care	1	4	Livonia, MI or other designated location
Employee Engagement & Leadership	1.5	0	Livonia, MI or other designated location
Sales & Prospect Development	8	0	In Local Territory
Bid Process, Niche Markets & Facility Meetings	8	0	In Local Territory
Prospective Customer Visits	0	6	In Local Territory
Totals Hours:	45	22	

Devin Dollar (18 years' experience) our CEO, and Len Yakuber (28 years' experience), our COO, will oversee the training program. Mr. Dollar and Mr. Yakuber have over 46 years of combines experience in commercial cleaning and maintenance services. In addition, Andrea Lilly, our Director of Finance, with 18 years of experience in Accounting, Carrie Pratt, our Operations Liaison, with over 25 years in leadership development and employee engagement expertise, Laurie Carwile, our Recruiting & Onboarding Coordinator with 6 years of experience, Rose Tavares, administrative coordinator with 10 years of administrative experience and 4 years

of training experience, Megan McKinley, our Corporate Administrator with over 18 years of experience with the company, and Benjamin Borden, our Director of Operations, a Certified Healthcare Environmental Services Professional with over 15 years of management experience in hospitality and healthcare, will also provide training in relevant subjects.

After you open your Franchised Business, we will:

1. Provide you with ongoing assistance and supervision that we consider appropriate and reasonable.
2. Provide specifications for equipment, chemicals and supplies to operate the Franchised Business.
3. Provide you with guidance with employee relations, marketing assistance and sales promotion programs.
4. Provide you with administrative, bookkeeping, marketing, sales and general operating procedures for the operation of your Franchised Business.
5. Provide you with the option to engage us or an approved supplier selected by us to provide all of your payroll services in the operation of your Franchised Business and we will charge you if you engage us for such payroll services.
6. Provide you 120 copies of a marketing brochure.
7. Review your proposed advertising and marketing materials which you have developed.
8. Assist you in developing and marketing techniques for institutional sales, including marketing to institutions in your Protected Area with assistance in bid preparation and identifying customers.
9. Provide you with such additional training and support as we may determine in our sole discretion. We may charge for such supplemental individual on-site training or consulting.
10. Establish, amend or revise policies, procedures, standards and specifications pertaining to the operation of your Franchised Business.
11. Opening Assistance.

In addition to the initial training program, we will provide you with additional telephone or virtual consulting and coaching support for your first customer contract. The cost of this additional consulting and coaching support is included in the initial training fee. The fee for any in-person assistance that you request, for opening assistance or otherwise, will be \$250 per person per day, plus travel and expenses.

12. Operations Manual.

We will loan you, during the term of the Franchise Agreement, one copy of our Operations Manual. The Operations Manual will contain mandatory and suggested specifications, standards and operating procedures we prescribe for the operation of your Franchised Business and information relative to your obligations, and may consist of one or more manuals, all of which are referred to as the Operations Manual. We have the right to modify the Operations Manual to reflect changes in services, specifications and standards and operating procedures, including marketing techniques. No addition or modification may alter your fundamental status and rights. You must keep one copy of the Operations Manual current. The master copy of the Operations Manual, which we maintain at our principal, office controls if there is a dispute relative to the contents of the Operations Manual (Franchise Agreement, Section 5).

Exhibit E to this Franchise Disclosure Document is the Table of Contents of the Operations Manual.

13. Marketing and Research

The Initial Marketing Program is an accelerated program where we work with you to amplify sales and marketing for the franchise location with both resources and materials. This includes the following: mass postcard mailings, boosted pay per click campaign, increased inside sales calls, enhanced focus blitz email and LinkedIn campaigns.

We will provide you marketing services to assist in generating customer leads, including inside sales initiatives, search engine optimization (SEO), website strategy and other marketing assistance. We will assign you an inside sales representative who will work with you weekly on strategy and marketing calls to help generate customer leads. There will be no charge for this service. You may purchase copies of the marketing brochures from us. We have sole discretion over the creative concepts, materials and media that may be used in the placement and allocation of advertising, marketing and public relations materials and to conduct the marketing and research for you in your Protected Area. We have the right to determine the market areas for the development and implementation of the research and marketing programs in your Protected Area. Marketing materials will be in the print media and will be brochures developed by us.

There is currently no National or Regional Advertising Fund in which you must participate. We have not yet established an Advertising Fund; however, we reserve the right to do so at any time. When we establish such Advertising Fund, you will pay us a monthly fee of up to 2% of Gross Revenue.

Currently, there are no advertising cooperatives. If such cooperatives are established in the future, you may be required to participate and contribute, in accordance with the majority vote of the cooperative. Any amount you must contribute to the cooperative will be credited against the Individual Local Marketing Fee.

We will provide you with an individual location page on the main corporate website and a Micro Site with a separate URL/web address that is customized for your territory. You must pay us a one-time Website Fee equal to \$1,200.

The activities related to advertising and marketing are intended to maximize the public's

general awareness of all CORPORATE CLEANING GROUP Businesses and we are under no obligation to ensure that you or any other franchisee benefits directly or pro rata from the placement of any marketing, advertising and public relations programs and activities.

We may make available to you for purchase certain advertising and marketing materials, public relations materials, direct mail materials, merchandising materials, sales aids, special promotions, and similar advertising and marketing materials and public relations materials (Franchise Agreement, Section 12).

14. Local Marketing.

You must pay us 1.5% of your Gross Revenue each month as a local marketing fee. We may provide you the following that is specifically targeted to your market: postcard mailings, information drops, information packet mailing, brochure mailings, flyer drops, email campaigns, personalized emails, SEO optimization, sales phone calls, drip marketing and LinkedIn campaigns. In addition, we may provide guidance to you to concerning effective marketing activities that you can do in your market.

Franchisees, whether independently or owned by us, who joined the System prior to the date of this Franchise Disclosure Document may pay a different local marketing fee. The local marketing fund is administered by the us. The fund will be audited and financial statements will be available for review upon request. Annually, we will send you an accounting of fund expenditures, as well as the percentage of the fund, if any, used principally to solicit new franchise sales.

This will be the first year of the advertising fund so there is no history of the use of the fund to disclose.

All your advertising, promotion and marketing materials that are not covered by your local marketing contribution must be clear, factual and not misleading and must conform to both the highest standards of ethical advertising and marketing in the advertising and market policies that we may periodically require. Before you use them, you must send us samples of all advertising, promotional and marketing materials that we have not prepared or previously approved. If you do not receive written disapproval within 15 days after we have received the materials, they are deemed to be approved. You may not use any advertising, promotional or marketing materials that we have not approved or have disapproved.

15. Advertising Approval.

Prior to use, you must submit to us, in writing, for our prior approval, samples of any advertising, marketing and promotional materials and public relations materials we have not previously approved. You may not use any advertising or promotional materials that have not been approved by us in writing (Franchise Agreement, Section 12). After you have submitted advertising and marketing materials for our approval, if you have not heard from us within 15 days of submission whether the advertising and marketing material is approved or disapproved, the advertising or marketing material is deemed approved.

16. Advisory Council.

We may select several franchisees to participate in a Franchisee Advisory Council which will make recommendations to us on advertising and promotional programs and materials. However, the Advisory Council has not been formed. We have it in our power to form, change or dissolve the Advisory Council once formed. The Advisory Council shall be advisory only and will have no authority to make binding recommendations to us.

17. Computer Hardware and Software.

We require you to have a computer (desktop or laptop) and Internet access. We do not specify the computer operating system or Internet supplier. Your computer must be in good repair, with sufficient memory to carry out daily business functions pertaining to your Franchised Business. You will be solely responsible for the acquisition, operation, maintenance and upgrading of the Computer System. Neither we, nor any affiliate or third party, is obligated to provide ongoing maintenance, repairs, upgrades or updates for the Computer System. We currently do not require that you purchase a maintenance, repair, upgrade or update service contract for the Computer System, but reserve the right to do so in the future. You must use Intacct Software for accounting, Team Software Suite for timekeeping, Microsoft for email, Learning Zen for LMS, and Paychex Flex for payroll in the operation of your Franchised Business.

We do not have independent access to your computer system, but we may obtain reports on key data (e.g., sales and invoicing) through the Intacct Software. Franchisor access to Team Software, Microsoft, Learning Zen and Paychex Flex systems would be for support purposes only.

You must pay Maner Costerisan a fee for the use of the Intacct software.

18. Annual Conference.

Currently there is no annual conference of franchisees. If we establish one, you may be required to attend or pay for the registration fee for at least one person. Travel, lodging and food expenses will be in addition to the registration fee.

ITEM 12 TERRITORY

The Franchise Agreement grants you the right to own and operate a Franchised Business within an exclusive defined geographic area (the "Protected Area"), indicated by specified zip code(s). The size of the Protected Area may vary but is based on the following factors: geographical radius, considering serviceability and potential customers within the market area. We use data for our 4 main marketing niches -church, school, general business and medical - to help draw your Protected Territory based upon niche numbers that support sustainable business growth.

We develop and define our territories based upon 300 niche prospects within the territory. Your territory will also include secondary prospects outside our main niches that will increase the overall numbers; however, our niche markets define the territory.

In addition, we will determine the size and boundaries of your Protected Area in our discretion, based on factors such as population density, character of the neighborhood, location and number of competing businesses and other factors. Your Protected Area may be defined by one or more five-digit zip codes, county or city boundaries or fixed geographic boundaries such as rivers, streets or highways, or as may be identified by a map. When determining the Protected Area, we generally use demographic statistics provided by the U.S. Census Bureau.

We do not set any requirements on achieving sales volumes, market penetration or other contingency in connection with your Protected Area.

If you are in full compliance with your Franchise Agreement, then we will not operate (directly or through an affiliate) nor grant a franchise for the operation of, any CORPORATE CLEANING GROUP Business within your Protected Area.

The continuation of the rights granted to you in the Protected Area is not dependent upon your achievement of a certain sales volume or market penetration or other contingency.

You may solicit all prospects within your Protected Area, but we encourage you to pursue prospects within the four main niche groups: church, school, general business and medical. You may not solicit or accept business outside your Protected Area without receiving our written permission. We may allow you to solicit or accept orders outside your Protected Area if there is not an existing CORPORATE CLEANING GROUP Business operating in that area. If approval is granted to you to solicit or accept orders outside your Protected Area, you must immediately stop soliciting or accepting orders in any area that a new CORPORATE CLEANING GROUP Business is established. We do not have present plans to operate or franchise a business selling services similar to those offered by you under a different trademark.

The Franchise Agreement grants you the right to operate a CORPORATE CLEANING GROUP Business at a single location that you select. Exhibit A to the Franchise Agreement will list the specific street address of the Franchised Business. You must operate the Franchised Business only at the location outlined in Exhibit A and may not relocate the Franchised Business without first obtaining our written consent. You may not establish or operate another CORPORATE CLEANING GROUP Business unless you enter into a separate Franchise Agreement for that Franchised Business.

Reservation of Rights by CORPORATE CLEANING - Competing Businesses

Notwithstanding the above, CCGFS on behalf of itself and its affiliates, retains the right, in its sole discretion and without granting any rights to you:

1. To advertise and promote the System within and outside the Protected Area.
2. To operate or grant other persons the right to operate CORPORATE CLEANING GROUP Businesses at locations and within geographic areas and on the terms and conditions as we determine, outside the Protected Area granted to you.
3. To provide the services authorized for the Franchised Business under other trademarks, service marks and commercial symbols through similar or dissimilar channels of distribution and pursuant to terms we deem appropriate, outside the Protected Area granted to you.
4. To market and sell the services authorized or associated with the Franchised Business

under the Licensed Marks through dissimilar channels of distribution, which include, but are not limited to, by electronic means such as the Internet and by websites we establish and pursuant to terms we deem appropriate within and outside the Protected Area granted to you.

5. To either provide services within your Protected Area (or authorize others to provide services within your Protected Area) to clients with multiple facilities, such as hospitals, churches, assisted living facilities or corporate clients (“National/Regional Account”) located within the Protected Areas granted two or more franchisees, as determined by us, in our sole and absolute discretion.

6. To acquire the assets or ownership interest of one or more businesses providing services similar to those provided at CORPORATE CLEANING GROUP Businesses, and franchising, licensing or creating similar arrangements with respect to those businesses once acquired, wherever these businesses are located or operating which may include within your Protected Area; and

7. To be acquired through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction, by a business providing products and services similar to those provided at CORPORATE CLEANING GROUP Business, or by another business, even if such business operates, franchises and/or licenses competitive businesses within your Protected Area.

We are not required to pay you if we exercise any other rights specified above inside your Protected Area.

On renewal or transfer of your Franchised Business, the Protected Area may be modified. Depending on the then-current demographics of the Protected Area, and our then-current standards for Protected Areas, if the Protected Area is larger than our then-current Protected Area, we may require you or the transferee to accept a territory that is smaller than your existing Protected Area.

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

Although we have the right to do so as described above, we and our affiliates have not operated or franchised, and have no plans to operate or franchise, other businesses selling or leasing similar products or services under different trademarks.


We do restrict you from soliciting or accepting orders outside your Protected Area and you do not have the right to use other channels of distribution to make sales outside your Protected Area.

ITEM 13

TRADEMARKS

CCGFS grants you the right to operate your Franchised Business under the service mark CORPORATE CLEANING GROUP®. You may also use CCGFS’s other current or future trademarks to operate your Franchised Business. By trademark we mean trade names, trademarks, service marks and logos used to identify your Franchised Business.

CCGFS has registered or applied to register the following marks on the Principal Register of the United States Patent and Trademark office:

MARK	OWNER	DATE OF FILING	SERIAL #	REGISTRATION #	DATE OF REGISTRATION
CORPORATE CLEANING GROUP	Franchisor	May 17, 2007	77183533	3421710	May 6, 2008
	Franchisor	October 28, 2020	90283337	Pending	Pending
THE NEXT LEVEL OF CLEAN	Franchisor	August 20, 2021	97001407	Pending	Pending

CCGFS may establish new Licensed Marks in the future and you must use and display these marks in accordance with our standards and specifications and bear all costs associated with changes to Licensed Marks or the introduction of new Licensed Marks. You must follow CCGFS’s rules when you use these marks. You cannot use a name or mark as part of a corporate name or with modifying words, designs or symbols except for those which CCGFS licenses to you. You may not use CCGFS’s name in the sale of any unauthorized product or service or in any manner CCGFS does not authorize in writing. You may not use any other mark, name, commercial symbol or logotype in connection with the operation of your Franchised Business.

There is presently no effective determination of the U.S. Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, of any pending infringement, opposition or cancellation proceeding or any pending material litigation involving trademarks, service marks, trade names, logo-types or other commercial symbols which is relevant to the use in any state; and no agreements exist which significantly limit in any manner material to you, the rights of CCGFS to use or license the use of marks, names, logos or symbols.

You shall not contest, directly or indirectly, CCGFS’s ownership of the Licensed Marks, trade secrets, methods and procedures which are a part of the CCGFS System. You shall not register, seek to register, or contest CCGFS’s sole right to register, use, and license others to use the marks, names, information, and symbols.

You must immediately notify CCGFS of any apparent infringement of or challenge to your use of any Licensed Marks, and CCGFS has sole discretion to take any action it deems appropriate.

There are no infringing uses known CCGFS which could materially affect your use of the Licensed Marks in this state or in any state where the business is to be located.

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

On December 11, 2002, we registered the domain name “corporatecleaninggroup.com”. You acknowledge that we are the lawful and sole owner of the domain name “corporatecleaninggroup.com” which domain name incorporates our trademark CORPORATE CLEANING GROUP®. You must not register the trademark CORPORATE CLEANING GROUP®

or any of the Licensed Marks now or hereafter owned by CCGFS or any abbreviation, acronym or variation of the Licensed Marks, or any other name that could be deemed confusingly similar, as Internet domain names, including, but not limited to, generic and country code top level domain names available at the present time or in the future. CCGFS retains the sole right to advertise the System on the Internet and to create, operate, maintain and modify, or discontinue the use of, a website using the Licensed Marks. You have the right to access our website; however, except as we may authorize in writing, in our sole discretion, you shall not in any way: (a) link or frame our website; (b) conduct any business or offer to sell or advertise any products or services on the worldwide web; and (c) create or register any Internet domain name in connection with your Franchised Business.

Franchise Agreement

Your right to use the Licensed Marks is derived solely from the Franchise Agreement and is limited to the conduct of your Franchised Business in compliance with the Franchise Agreement.

All usage of the Licensed Marks by you and any goodwill established inures to the exclusive benefit of CCGFS. You may not, at any time during the term of the Franchise Agreement or after its termination or expiration, contest the validity or ownership of any of the Licensed Marks or assist any other person in contesting the validity or ownership of any of the Licensed Marks.

All provisions of the Franchise Agreement applicable to the Licensed Marks apply to any additional trademarks, service marks, logo forms and commercial symbols authorized for your use.

You must use the Licensed Marks as the sole identification of the Franchised Business, but you must also identify yourself as the independent franchise owner in the manner CCGFS prescribes. You may not use any Licensed Mark as part of any corporate or trade name or with any prefix, suffix or other modifying words, terms, designs or symbols, or in any modified form, nor may you use any Licensed Mark in the sale of any unauthorized product or service or in any other manner CCGFS does not expressly authorize in writing.

You must notify CCGFS immediately in writing of any apparent infringement of or challenge to your use of any Licensed Mark, or claim by any person of any rights in any Licensed Mark or any similar trade name, trademark or service mark of which you become aware. You may not communicate with any person other than CCGFS and its counsel regarding any infringement, challenge or claim. CCGFS has sole discretion to take any action it deems appropriate and the right to exclusively control any litigation, USPTO proceeding or other administrative proceeding arising out of any infringement, challenge or claim or otherwise relating to any Licensed Mark. You must execute all documents, render assistance and do all acts and things advisable to protect and maintain the interests of CCGFS in any litigation, USPTO proceeding or other administrative proceeding or to otherwise protect and maintain the interests of CCGFS in the Licensed Marks.

CCGFS will indemnify you against, and reimburse you for, all damages for which you are held liable in any proceeding in which your use of any Licensed Mark in compliance with the Franchise Agreement is held to constitute trademark infringement, unfair competition or dilution, and for all reasonable costs you incur in the defense of any claim brought against you or in any proceeding in which you are named as a party, if you have timely notified CCGFS of the claim or proceeding and have otherwise complied with the Franchise Agreement and if CCGFS has the right to defend any claim. If CCGFS defends the claim, CCGFS has no obligation to indemnify or reimburse you for any fees or disbursements to any attorney retained by you.

If it becomes advisable at any time, in CCGFS's sole discretion, for CCGFS and/or you to modify or discontinue use of any Licensed Mark, and/or use one or more additional or substitute trademarks or

service marks, you must comply within a reasonable time after notice by CCGFS, and the sole obligation of CCGFS in any event shall be to reimburse you for the out-of-pocket costs of complying with this obligation.

There may be infringing uses in regional markets by third parties who may be utilizing the name CORPORATE CLEANING GROUP® or marks similar to one or more of the Licensed Marks in conjunction with a CORPORATE CLEANING GROUP Business and this use would not be under a federal registration, but by application of common law trademark rights. If the use in local markets was determined to be before CCGFS's use, CCGFS and franchisees may be prohibited from utilizing the marks, names, logos or symbols within the market of the prior use.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

CCGFS does not now own any rights to any patent which is material to the franchise. CCGFS does claim copyright protection for the Operations Manual and for certain other written materials developed by CCGFS to assist you in the operation of your CCGFS Business.

CCGFS also claims copyright protection for the CCGFS Business Operating Software System and training manuals which it provides to you and which you must treat as confidential information. You are prohibited from copying, or otherwise reproducing or making it available to any unauthorized person. Any software provided must be returned to us if the Franchise Agreement is terminated or expires.

You must not directly or indirectly contest our right to our claimed copyrights that are a part of the Franchised Business. You must notify CCGFS immediately if you learn about an infringement, challenge to or unfair competition by others involving our claimed copyrights. CCGFS will take the action we think is appropriate. CCGFS has no obligation to defend you or to prosecute any legal action against others with respect to any infringement, unfair competition or other claim related to any claimed copyrights.

CCGFS possesses certain proprietary or confidential information relating to the operation of CORPORATE CLEANING GROUP Business, including training manuals, procedures, processes, methods, marketing techniques, customer service, networking and other information which is valuable and considered by CCGFS as confidential information ("Confidential Information"). CCGFS discloses to you Confidential Information through its training program, the confidential Operations Manual, guidance to you during the term of the Franchise Agreement and otherwise, solely for your use in the development and operation of your Franchised Business during the term of the franchise.

You will not acquire any interest in the Confidential Information other than the right to utilize it in your Franchised Business, and will not use the Confidential Information in any other business or capacity. You must maintain the absolute confidentiality of the proprietary information during and after the term of the Franchise Agreement, and must not make any unauthorized copies of any portions of the Confidential Information. You must adopt and implement all reasonable procedures prescribed by CCGFS to prevent unauthorized use, duplication, or disclosure of CCGFS's Confidential Information, and to require any of your employees who have access to information to sign non-disclosure and non-competition agreements, to the extent permitted by law (see Exhibit B to the Franchise Agreement).

We need not protect or defend copyrights, although we intend to do so if it is the system's best interest. We may control any action we chose to bring, even if you voluntarily bring the matter to our attention. We need not participate in your defense and/or indemnify you for damages or expenses in a proceeding involving a copyright.

Our Operations Manual and other materials contain our confidential information (some of which constitutes trade secrets under applicable law). This information includes training and operations materials, methods, formats, specifications, standards, procedures, systems sales and marketing techniques, knowledge and experience in developing and operating a CORPORATE CLEANING GROUP Business; marketing and advertising programs, computer software or similar technology, knowledge of specifications for and suppliers lists, supplies, knowledge of the operating results and financial performance of CORPORATE CLEANING GROUP Businesses and related intellectual property.

All ideas, concepts, techniques, or materials concerning a CORPORATE CLEANING GROUP Business, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed to be our sold and exclusive property, part of the system, and works made-for-hire for us. To the extent any item does not qualify as a "work made-for-hire" for us, you must assign ownership of that item and all related rights to that item to us and must take whatever action including the signing of any documents we may require to show our ownership or to help us obtain intellectual property rights in the item.

You may not use our confidential information in any unauthorized manner. You must take reasonable steps to prevent improper disclosure to others.

ITEM 15
OBLIGATION TO PARTICIPATE IN THE
ACTUAL OPERATION OF THE CORPORATE CLEANING GROUP BUSINESS

If you are an individual, you must directly supervise and manage the Franchised Business. If you are a corporation, limited liability company or other business entity, you must designate in writing to us an individual who will directly supervise and manage the operation of the Franchised Business. In either instance, the individual who will directly supervise and manage the operation of the Franchised Business must complete our training program. Such individual need not have an ownership interest in the franchise entity however, he or she may be required to sign a written agreement maintaining confidentiality of proprietary information described in Item 13 and abiding by the non-competition covenants described in Item 17.

Each of your direct and indirect own during the term of the Franchise Agreement and your and their spouses must execute a guaranty in the form we prescribe undertaking personally to be bound, jointly and severally, by all provisions of the Franchise Agreement and any ancillary agreements between you and us. Our current form of Guaranty is attached to the Franchise Agreement. We confirm that a spouse who signs such Guaranty solely in his or her capacity as a spouse (and not as an owner) is signing that agreement merely to acknowledge and consent to the execution of the guaranty by his or her spouse and to bind the assets of the marital estate and for no other purpose (including, without limitation, to bind the spouse's own separate property).

Each individual who owns an interest in the franchisee entity, in addition to the Guaranty must sign

the personal undertaking attached to the Franchise Agreement. Each such individual agrees to discharge all obligations of the franchisee under the Franchise Agreement and is bound by all its terms and conditions, including maintaining confidentiality of proprietary information described in Item 14 and abiding by the non-competition covenants described in Item 17.

Each of your direct and indirect owners during the term of the Franchise Agreement and your and their spouses must sign an authorization to permit us to perform a background check on them.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must perform only approved services in the operation of your Franchised Business. You may not offer for sale any types of products or services that we have not authorized. You are limited in the operation of your Franchised Business to provide approved cleaning and maintenance services to your commercial, industrial and institutional clients, in the manner that we may prescribe in our standards and specifications as set forth in the Operations Manual or as communicated to you in writing. In addition, you may be required to utilize specific approved chemical supplies, equipment, and other supplies which we may require to be utilized in the operation of your Franchised Business.

We may conduct market research and testing to determine industry trends and the salability of additional services. You must cooperate with us by participating in our market research programs by providing such designated new services as part of your Franchised Business and you must provide us with timely reports and other information as we may request regarding the market research and other matters of inquiries submitted by us.

You are prohibited from offering unapproved services or products or utilizing supplies and chemicals, other than approved supplies and chemicals as we may designate throughout the term of the Franchise Agreement in the operation of your Franchised Business, in our sole and absolute discretion.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP

PROVISION	SECTION IN AGREEMENT	SUMMARY
a. Term of the franchise	Section 2 in Franchise Agreement	Term of Franchise Agreement is 10 years.
b. Renewal or extension of the term	Section 16 in Franchise Agreement	If you are in good standing you can add up to 2 additional terms of 5 years each and pay a \$5,000 renewal fee for each.

PROVISION	SECTION IN AGREEMENT	SUMMARY
c. Requirements for you to renew or extend	Section 16 in Franchise Agreement	You must give at least 7 months but no more than 12 months' notice, repair and update equipment and the Franchised Business premises, not be in breach of any agreement with us or our affiliates, satisfy all monetary obligations, have the right to remain in possession of the Franchised Business premises, execute then-current Franchise Agreement and General Release and comply with current qualifications and training requirements. If you seek to renew your franchise at the expiration of the initial term or any renewal term, you may be asked to sign a new franchise agreement, which is the then current franchise agreement used by us, that may contain terms and conditions materially different from those in your previous franchise agreement, such as, but without limitation, (1) increase in the Performance Standard, (2) increases in other fees and (3) implementing new fees.
d. Termination by you	N/A	N/A
e. Termination by CCGFS without cause	N/A	N/A
f. Termination by CCGFS with cause	Section 17 in Franchise Agreement	Each of your obligations under the Franchise Agreement is a material and essential obligation, the breach of which may result in termination.
g. "Cause" defined – defaults which can be cured	Section 17 in Franchise Agreement	Curable defaults include: Failure to obtain legal possession of location or develop the Business as provided; failure to attend refresher training; making unauthorized use of Confidential Information; failure to timely pay fees and trade accounts; transfer without our written consent, failure to procure and maintain required insurance coverage, failure to cure misuse or unauthorized use of Licensed Marks, failure to comply with any requirement of Franchise Agreement, failure to observe standards and specifications, failure to comply with all laws and regulations, failure to comply with all covenants, failure to comply with operating standards.
h. "Cause" defined – defaults which cannot be cured	Section 17 in Franchise Agreement	Noncurable defaults include: if franchisee becomes insolvent, makes a general assignment for the benefit of creditors, files a petition or has a petition initiated against him under federal bankruptcy laws, is adjudicated bankrupt, has receiver appointed, proceedings for composition with creditors instituted,, sells unauthorized products or services, fails 3 or more times within 12 months to comply with a material provision of the Agreement, you (or Principal) makes a material misrepresentation on application, abandons or loses right to Business premises, is convicted of or pleads <u>nolo contendere</u> to felony or any crime CCGFS believes will likely have an adverse effect on the system (also applies to Principal), if any threat or damages to public health or safety is not immediately cured or removed, discloses any confidential information (also applies to Principal), breaches any material aspect of covenants, repeatedly commits a material event of default (also applies to Principal).
n. CCGFS's right of first refusal to acquire your Franchised Business	Section 15 in Franchise Agreement	CCGFS can match any offer for your Franchised Business, within 30 days after notice.

PROVISION	SECTION IN AGREEMENT	SUMMARY
o. CCGFS's option to purchase your Franchised Business	Section 19 in Franchise Agreement	In case of termination or nonrenewal, CCGFS may purchase the assets of the Franchised Business at fair market value and will acquire the customer list.
p. Your death or disability	Section 15 in Franchise Agreement	Upon death or permanent disability of franchisee, a competent manager must be appointed within 30 days and interest must be transferred within 12 months after death or within 6 months after permanent disability.
q. Non-competition covenants during the term of the franchise	Sections 3 and 17 Franchise Agreement	No involvement in Competing Business anywhere in U.S.
r. Non-competition covenants after the franchise is terminated or expires	Section 18 in Franchise Agreement	Prohibited from providing commercial cleaning or maintenance services to church, school or medical services customers for 2 years in Protected Area granted Franchisee by the Franchise Agreement or within Protected Area of any other CCGFS franchisee at the time of expiration or termination.
s. Modification of the agreement	Section 21 in Franchise Agreement	No modification to Franchise Agreement except in writing and signed by both franchisee and CCGFS. Operations Manual can be modified as long as the modification does not alter your fundamental status and rights.
t. Integration/merger clause	Section 21 in Franchise Agreement	Only the written terms of the Franchise Agreement are binding (subject to FTC law). Any representations or promises made outside of the disclosure document and franchise agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 20 in Franchise Agreement	Except for actions brought by us for monies owed, injunctive or extraordinary relief, or actions involving real estate, all disputes must be mediated at our headquarters in Livonia, Michigan.
v. Choice of forum	Section 21 in Franchise Agreement	The venue for all proceedings relating to or arising out of the Franchise Agreement is in the state and federal courts sitting in Wayne County, Michigan, unless otherwise brought by us. Subject to state law.
w. Choice of law	Section 21 in Franchise Agreement	Michigan law applies. Subject to state law.

ITEM 18

PUBLIC FIGURES

CCGFS does not use any public figure to promote its franchise.

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATION

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis

for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

The average gross revenue for all reporting* franchised outlets for the year ending December 31, 2020, was \$1,268,641. For those reporting franchised outlets, the highest gross revenue was \$2,636,131; the lowest gross revenue was \$255,303. The average gross revenue for all reporting outlets, including franchisor-owned outlets is \$1,722,591. The highest gross revenue of all outlets is \$4,432,519 by a franchisor-owned unit; the lowest gross revenue was \$255,303, by a franchised outlet.

The average cost of goods sold for all reporting* franchised outlets for the year ending December 31, 2020, was \$608,619. For those reporting franchised outlets, the highest cost of goods sold was \$1,165,261; the lowest cost of goods sold was \$128,927. The average cost of goods sold for all reporting outlets, including franchisor-owned outlets is \$892,217. The highest cost of goods sold for all outlets is \$2,598,134 by a franchisor-owned unit; the lowest cost of goods sold was \$128,927, by a franchised outlet.

The average gross margin for all reporting* franchised outlets for the year ending December 31, 2020, was \$660,022. For those reporting franchised outlets, the highest gross margin was \$1,470,870; the lowest gross margin was \$126,376. The average gross margin for all reporting outlets, including franchisor-owned outlets is \$830,374. The highest gross margin of all outlets is \$1,834,384 by a franchisor-owned unit; the lowest gross margin was \$126,376, by a franchised outlet.

The average gross profit percentage for all reporting* franchised outlets for the year ending December 31, 2020, was 51%. For those reporting franchised outlets, the highest gross profit percentage was 58%; the lowest gross profit percentage was 42%. The average gross profit percentage for all reporting outlets, including franchisor-owned outlets is 50%. The highest gross profit percentage of all outlets is 58% by a franchised outlet; the lowest gross profit percentage was 41%, by a franchisor-owned outlet.

There is no assurance that you will do as well as these outlets. If you rely upon our figures, you must accept the risk of not doing as well.

Below are the actual figures for gross revenue, the cost of goods sold (COGS)**, gross margin*** and gross profit percentage****, which were self-reported by the franchisor and franchisees from all but 1* existing Corporate Cleaning outlets which were open at least 1 year, including franchisor-owned outlets, for the calendar year ending December 31, 2020.

Franchisor-Owned Outlets 2020		
Category	Corporate Location 1	Corporate Location 2
Gross Revenue	\$2,190,317	\$4,432,518
COGS	\$1,171,492	\$2,598,134
Gross Margin	\$1,018,824	\$1,834,384
Gross Profit%	47%	41%

Reporting* Franchise Outlets 2020							
Category	Outlet #1	Outlet #2	Outlet #3	Outlet #4	Outlet #5	Outlet #6	Outlet #7
Gross Revenue	\$551,760	\$1,499,516	\$1,757,553	\$961,897	\$1,218,325	\$255,303	\$2,636,131
COGS	\$250,287	\$632,185	\$917,929	\$463,335	\$702,406	\$128,927	\$1,165,261
Gross Margin	\$301,473	\$1,834,384	\$839,624	\$498,563	\$515,919	\$126,376	\$1,470,870
Gross Profit%	55%	58%	48%	52%	42%	50%	56%

Franchisor-Owned Outlets and Reporting* Franchise Outlets - 2020					
Category	High	Low	Median	Average	# and % At or Above Average
Gross Revenue	\$4,432,519	\$255,303	\$1,499,516	\$1,722,591	4/44%
Gross Margin	\$1,834,384	\$126,376	\$839,623	\$830,374	5/55%

* The above figures do not include 2 franchisees that opened for business in 2020 and did not have a full year of data. One franchisee unit did not report their revenue to be included in this information.

** Cost of Goods Sold (COGS) consists of direct costs related to providing services. These costs include: cleaning wages, cleaning supplies, replacement parts and equipment, laundry expense and miscellaneous direct costs.

*** Gross margin consists of gross revenue less COGS.

**** Gross profit percentage consists of gross margin divided by gross revenue.

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

Bases

These revenue figures are derived from the actual historical performance as self-reported by Corporate Cleaning Franchise franchisees, as well as from franchisor-owned locations.

There are currently 10 franchisee units in the system, 7 of which reported their revenue. Of those reporting units, 6 had at least \$500,000 in annual revenue in 2020.

Assumptions

These figures measured our outlets' performance in only 5 states. The market where your franchise would be located may achieve results that are different from where these outlets are located.

Admonitions

Existing outlets with at least one year of operating the business had the gross revenues, costs of goods sold, gross margins and gross profits shown above. Your individual results may differ. There is no assurance that you will sell as much as existing outlets.

The financial information that formed the basis for our financial performance representation is available to you upon reasonable request.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
SYSTEM-WIDE OUTLET SUMMARY
FOR YEARS 2018 TO 2020

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2018	10	9	-1
	2019	9	9	0
	2020	9	10	+1
Company-Owned	2018	2	2	0
	2019	2	2	0
	2020	2	2	0
Total Outlets	2018	12	11	-1
	2019	11	11	0
	2020	11	12	+1

TABLE NO. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO
NEW OWNERS (OTHER THAN FRANCHISOR OR AN AFFILIATE)
FOR YEARS 2018 to 2020

State	Year	Number of Transfers
North Carolina	2018	1
There were no transferred units for 2019		
There were no transferred units for 2020		

TABLE NO. 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS 2018 to 2020

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
Colorado	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
Michigan	2018	1	1	0	0	0	0	2
	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
Missouri	2018	3	0	0	0	0	0	3
	2019	3	0	0	0	0	0	3
	2020	3	2	0	0	1	0	4
North Carolina	2018	2	0	0	0	0	0	2
	2019	2	1	0	0	0	1	2
	2020	2	1	0	0	0	1	2
Texas	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	1	0
	2020	1	0	0	0	0	1	0
West Virginia	2018	1	0	0	0	0	0	1
	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
Total	2018	9	1	0	0	0	0	10
	2019	10	1	0	0	0	2	9
	2020	9	2	0	0	1	0	10

TABLE NO. 4
STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 2018 to 2020

State	Year	Outlets at Start of Year	Outlets Opened	Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Michigan	2018	1	0	0	0	1	1
	2019	1	0	0	0	1	1
	2020	1	0	0	0	0	1
Kansas	2018	1	0	0	0	0	1
	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1
Total	2018	2	0	0	0	0	2
	2019	2	0	0	0	0	2
	2020	2	0	0	0	0	2

TABLE NO. 5
PROJECTED OPENINGS
AS OF DECEMBER 31, 2020

State	Franchise Agreements Signed But Outlets Not Opened	Projected New Franchised Outlets In the Current Fiscal Year	Projected New Company Owned Outlets In The Current Fiscal Year
Total	0	0	0

We began offering franchises in June 2007. As of December 31, 2020, there were 10 franchised Corporate Cleaning Group Businesses.

The names, addresses and telephone numbers of our franchisees are:

Scott Newcomb 6084 South Coventry Lane West Littleton, CO 80123 (720) 226-7335	Chuck Windham Triad Cleaning Group, Inc. PO Box 16240 High Point, NC 27261 (336) 354-3291
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Shannon Purvis Yard Work LLC 5054 Highway K Sullivan, MO 63080 (815) 703-0131	Diana Magnone Tri-State Expert Cleaning, LLC 4530 Fairway Drive Steubenville, OH 43953 (877) 988-4224
Mike and Keith Freyer Integrity Business 2945-D W. Chestnut Expressway Springfield, MO 65802 (417) 830-9163	Terry Yakuber Corporate Cleaning Group Services, Inc. 3250 Old Farm Lane, Ste. 10 Walled Lake, MI 48390 (248) 313-9880
Michael Dreyer MDD KS Enterprise, LLC 406 C E. Bannister Rd. Kansas City, MO 64131 (816) 656-8700	Tom Miller TNK Commercial Services, LLC P.O. Box 565 Hudsonville, MI 49426 (616) 560-5855
Richard Hermann and Elizabeth Holum 516 River Hwy Building D-254 Mooresville, NC 28117 (314) 853-3171	Nicholas Walz Walz Enterprises, LLC 9300 Rosner Dr. Lenexa, KS 66219 (816) 805-5146

During the last fiscal year, 1 Corporate Cleaning Group franchisee voluntarily ceased to conduct business:

Dave Kettler, St. Louis, Missouri
Current business telephone number: (314) 544-3233

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

During the last three fiscal years, we have not signed any confidentiality clauses with current or former franchisees which would restrict them from speaking openly with you about their experience with us.

ITEM 21 FINANCIAL STATEMENTS

Exhibit A is the audited financial statements as of December 31, 2020, December 31, 2019, and December 31, 2018.

ITEM 22
CONTRACTS

The following agreements are attached to this Franchise Disclosure Document:

Franchise Agreement Exhibit B
Disclosure Acknowledgement Agreement Exhibit F
Electronic Funds Transfer Authorization Exhibit G
General Release Exhibit H

ITEM 23
RECEIPTS

Exhibit K is a detachable document, in duplicate, to use for acknowledgment and receipt of the Franchise Disclosure Document with all exhibits attached.

EXHIBIT A

FINANCIALS

CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

As of December 31, 2020, 2019 and 2018

CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC
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DOYLE & ASSOCIATES, PLLC

Certified Public Accountants • Business Advisors

Independent Auditors' Report

To the Members
Corporate Cleaning Group Franchise Systems, LLC
Livonia, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of **CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC** (a State of Michigan limited liability company) which comprise the balance sheets as of December 31, 2020, 2019 and 2018, and the related statements of income, members' equity, and cash flows for the years then ended, and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to in the first paragraph presents fairly, in all material respects, the financial position of **CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC** as of December 31, 2020, 2019 and 2018, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Disclaimer of Opinion on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of General and Administrative Expenses, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Doyle & Associates, PLLC

Doyle & Associates, PLLC
Farmington Hills, Michigan
April 7, 2021

CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC

BALANCE SHEETS

as of December 31, 2020, 2019 and 2018

ASSETS

	<u>2020</u>	<u>2019</u>	<u>2018</u>
CURRENT ASSETS			
Cash in bank	\$ 104,930	\$ 30,866	\$ 110,117
Accounts receivable, trade, less allowance for doubtful accounts of \$650, \$650 and \$650, respectively	64,260	54,464	74,261
Note Receivable - other	<u>-</u>	<u>9,250</u>	<u>12,800</u>
Total Current Assets	169,190	94,580	197,178
 PROPERTY AND EQUIPMENT			
Equipment	13,868	13,868	13,868
Furniture and fixtures	<u>3,351</u>	<u>3,351</u>	<u>3,351</u>
Total Property and Equipment	17,219	17,219	17,219
Less: Accumulated depreciation	<u>11,729</u>	<u>11,224</u>	<u>9,990</u>
Net Property and Equipment	<u>5,490</u>	<u>5,995</u>	<u>7,229</u>
 TOTAL ASSETS	 <u>\$ 174,680</u>	 <u>\$ 100,575</u>	 <u>\$ 204,407</u>

See accompanying notes to financial statements.

LIABILITIES AND MEMBERS' EQUITY

	<u>2020</u>	<u>2019</u>	<u>2018</u>
CURRENT LIABILITIES			
Accounts payable	\$ 652	\$ 5,267	\$ 11,525
Notes payable - officer	11,572	-	-
Deferred franchise fees	9,009	-	-
Total Current Liabilities	<u>21,233</u>	<u>5,267</u>	<u>11,525</u>
LONG-TERM LIABILITIES			
Deferred franchise fees	75,651	-	-
Total Liabilities	<u>96,884</u>	<u>5,267</u>	<u>11,525</u>
MEMBERS' EQUITY			
Members' Equity	<u>77,796</u>	<u>95,308</u>	<u>192,882</u>
Total Members' Equity	<u>77,796</u>	<u>95,308</u>	<u>192,882</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>\$ 174,680</u>	<u>\$ 100,575</u>	<u>\$ 204,407</u>

See accompanying notes to financial statements.

CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC

STATEMENTS OF INCOME

For the years ended December 31, 2020, 2019 and 2018

	<u>2020</u>	Percent of Sales	<u>2019</u>	Percent of Sales	<u>2018</u>	Percent of Sales
NET SALES	\$ 564,034	100.00 %	\$ 457,709	100.00 %	\$ 477,067	100.00 %
Total Income	564,034	100.00	457,709	100.00	477,067	100.00
GENERAL AND ADMINISTRATIVE EXPENSES	287,990	51.06	263,879	57.65	215,248	45.12
Operating Income	276,044	48.94	193,830	42.35	261,819	54.88
OTHER INCOME (EXPENSE)						
Depreciation expense	(505)	(0.09)	(1,234)	(0.27)	(1,268)	(0.28)
Other income	5,232	0.93	4,316	0.63	3,026	0.00
Total Other Income (Expense)	4,727	0.84	3,082	(0.36)	1,758	(0.28)
NET INCOME	<u>\$ 280,771</u>	<u>49.78 %</u>	<u>\$ 196,912</u>	<u>41.99 %</u>	<u>\$ 263,577</u>	<u>54.60 %</u>

See accompanying notes to financial statements.

CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC

STATEMENTS OF MEMBERS' EQUITY

For the years ended December 31, 2020, 2019 and 2018

	<u>Members' Equity</u>
BALANCES, January 1, 2018	\$ 239,706
2018 Distributions	(310,401)
2018 Net Income	<u>263,577</u>
BALANCES, December 31, 2018	192,882
2019 Distributions	(294,486)
2019 Net Income	<u>196,912</u>
BALANCES, December 31, 2019	95,308
Cumulative effect of adoption of new revenue standard	(43,921)
2020 Distributions	(254,362)
2020 Net Income	<u>280,771</u>
BALANCES, December 31, 2020	<u><u>\$ 77,796</u></u>

See the accompanying notes to financial statements.

CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2020, 2019 and 2018

	<u>2020</u>	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 280,771	\$ 196,912	\$ 263,577
Adjustments to reconcile net income to net cash from operating activities:			
Depreciation	505	1,234	1,268
Decrease (increase) in assets:			
Accounts receivable	(9,796)	19,797	(8,766)
Notes receivable - other	9,250	3,550	(7,800)
Notes receivable - related parties	-	-	129,596
Increase (decrease) in liabilities:			
Accounts payable	(4,615)	(6,258)	8,608
Deferred franchise fees	40,739	-	-
 Net cash provided by operating activities	<u>\$ 316,854</u>	<u>\$ 215,235</u>	<u>\$ 386,483</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Shareholder distributions	(254,362)	(294,486)	(310,401)
Net borrowings on notes payable-officers	11,572	-	-
 Net cash (used in) financing activities	<u>(242,790)</u>	<u>(294,486)</u>	<u>(310,401)</u>
 Net increase (decrease) in cash	74,064	(79,251)	-76,082
Cash - beginning	<u>30,866</u>	<u>110,117</u>	<u>34,035</u>
 Cash - ending	<u>\$ 104,930</u>	<u>\$ 30,866</u>	<u>\$ 110,117</u>

See the accompanying notes to financial statements.

CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC

NOTES TO FINANCIAL STATEMENT December 31, 2020, 2019 and 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Corporate Cleaning Group Franchise Systems, LLC (the Company) is presented to assist in understanding the Company's financial statement. The financial statement and notes are representations of the Company's management which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statement.

Nature of Operations

Corporate Cleaning Group Franchise Systems, LLC offers franchise opportunities in the operation of commercial, industrial and institutional cleaning and maintenance services.

Cash and cash equivalents

The Company considers all highly-liquid investments with an original maturity of three months or less to be cash equivalents. The Company maintains deposits in a financial institution that at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). The Company believes that there is no significant risk with respect to such deposits.

Trade Accounts Receivable

Trade accounts receivable are stated at the amount management expects to collect on outstanding balances. The carrying amounts of accounts receivable are reduced by a valuation allowance that reflects management's best estimate of the amounts that will not be collected. Management individually reviews all accounts receivable balances that exceed the due date and based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Management believes some accounts may be uncollectible; therefore, an allowance has been established in the amount of \$650 at December 31, 2020, 2019 and 2018. Bad debt expense amounted to \$0, \$6,928 and \$1,499 for the years ended December 31, 2020, 2019 and 2018, respectively.

Financial instruments that potentially subject the company to credit risk consist of trade receivables. The realization of receivables depends upon the particular industry and of the customers within the company's sales region.

Property and Equipment

Management capitalizes expenditures for property and equipment. Property and equipment are carried at cost. Expenditures for maintenance and repairs are charged to operating expense. Adjustments of the assets and the related accumulated depreciation accounts are made for property and equipment retirement and disposals, with the resulting gain or loss, if applicable, included in the statement of income.

CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC

NOTES TO FINANCIAL STATEMENT December 31, 2020, 2019 and 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued.

Property and Equipment – continued.

The Company provides for depreciation of property and equipment principally by the use of the straight-line method for financial reporting purposes and accelerated methods for income tax purposes. The estimated useful lives of the depreciable assets are:

	<u>YEARS</u>
Equipment	5 - 7
Furniture and fixtures	7
Computer equipment	5

For the years ended December 31, 2020, 2019 and 2018 depreciation expense was \$505, \$1,234 and \$1,268, respectively.

Income Taxes

The Company is organized as a Michigan limited liability company. Accordingly, the Company's taxable income and deductions are reported by the members on their individual income tax returns. Effective January 1, 2012, the State of Michigan repealed corporate income taxes for limited liability companies. Therefore, no provision or liabilities for federal or state income taxes have been included in the financial statements and management believes they have not established nexus in any other state. The Company's federal income tax returns are subject to audit. The open tax years are December 31, 2018, 2019, and 2020.

The Companies follow the provisions of FASB Accounting Standards Codification (ASC) 740-10 (formerly FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*) that clarifies the accounting for uncertainty in income taxes by prescribing a minimum recognition threshold that a tax benefit is required to meet before being recognized in the financial statements. The amount recognized is subject to estimate and management judgment with respect to likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position or for all uncertain tax positions in the aggregate could differ from the amount recognized. Management has completed its evaluation of the impact of uncertain tax positions and is unaware of any tax positions that would require disclosure.

Marketing and Advertising

The Company follows the policy of charging the costs of marketing and advertising to expense as incurred. For the years ended December 31, 2020, 2019 and 2018 marketing and advertising expenses were \$79,028, \$44,634 and \$28,180, respectively.

Use of Estimates

The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC

NOTES TO FINANCIAL STATEMENT December 31, 2020, 2019 and 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued.

Subsequent events

Subsequent events have been evaluated through April 7, 2021, which is the date the financial statement was available to be issued.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), which amends the existing accounting standards for revenue recognition. ASU 2014-09 is based on principles that govern the recognition of revenue at an amount an entity expects to be entitled when products are transferred to customers. The Company adopted the new accounting standard using the modified retrospective transition method effective January 1, 2020 and recorded a \$43,921 impact to “members’ equity” in the Company’s balance sheet. See Note B for further information.

NOTE B – REVENUE RECOGNITION

On January 1, 2020, the Company adopted ASC 606, Revenue from Contracts with Customers and all the related amendments and applied it to all contracts that were not completed as of January 1, 2020 using the modified retrospective method. The Company recognized the cumulative effect of initially applying the new revenue standard as an adjustment to the opening balance of retained earnings. Prior period amounts have not been restated and continue to be reported under the accounting standards in effect for those periods.

The Company’s adoption impact related to the recognition of the portion of the initial franchise fees related to the license of intellectual property.

The cumulative effect to the Company’s January 1, 2020 balance sheet from the adoption of the new revenue standard was as follows:

	Balance at December 31, 2019	Adjustments Due to ASC 606	Balance at January 1, 2020
<u>Liabilities and Members' Equity:</u>			
Deferred franchise fees	\$ -	\$ 43,921	\$ 43,921
Members' equity	95,308	(43,921)	51,387

The impact of adoption on the Company’s statement of operations for the year ended December 31, 2020 was not material.

The Company generates all revenues from contracts with franchisees, primarily as a result of the sale of franchise and ongoing royalty fees. For the years ended December 31, 2020, 2019 and 2018, approximately 90%, 100% and 98%, respectively, of the Company’s revenue was from royalties received from franchisees; approximately 10%, 0% and 2%, respectively, was from the sale of franchises.

CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC

NOTES TO FINANCIAL STATEMENT

December 31, 2020, 2019 and 2018

NOTE B – REVENUE RECOGNITION – continued.

The Company’s only source of revenue arises from the operation of the Corporate Cleaning Group business by the Company’s franchisees. Franchise rights are granted through a franchise agreement that sets out the terms of the arrangement with the franchisee. The franchise agreement requires that the franchisee remit continuing royalty fees to the Company as a percentage of the applicable franchisee’s sales in exchange for the license of the intellectual property associated with the Corporate Cleaning Group’s brand (the “franchise right”). The franchise agreements also require certain, less significant, upfront franchise fees such as initial fees upon opening a business and training fees.

Continuing royalty fees represent the substantial majority of the consideration the Company receives under the franchise agreements. Continuing royalty fees are billed and paid monthly and are 6% of gross revenue received from the operation of the franchised business. Upfront franchise fees are typically billed and paid when a new franchise agreement becomes effective.

Revenue is measured as the amount of consideration expected to be received in exchange for services performed. Costs related to obtaining sales contracts are incidental and are expensed when incurred. Because franchisees are invoiced at the time services are performed and the Company’s right to consideration is unconditional at that time, the Company does not maintain contract asset balances. As of December 31, 2020, 2019, and 2018, the Company’s contract liabilities primarily relate to cash received under initial franchise agreements from the sale of a franchise related to marketing and training that has not yet been delivered and for licensing for which revenue is recognized over time. Changes in the Company’s contract liabilities, which are included in “deferred franchise fees” in the Company’s balance sheet, are as follows:

	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018
Balance at beginning of period	\$ -	\$ -	\$ -
Impact of adoption of ASC 606	43,921	-	-
Increase due to cash received from franchisees	98,000	-	-
Decreases due to recognition of revenue	<u>(57,261)</u>	<u>-</u>	<u>-</u>
Contract liabilities at end of period	<u>\$ 84,660</u>	<u>\$ -</u>	<u>\$ -</u>

The primary performance obligations related to franchised cleaning operations include the license of intellectual property, which provides access to the Corporate Cleaning Group Franchise Systems, LLC brand and proprietary information to operate service over the term of a franchise agreement. Each performance obligation is distinct, and franchisees generally receive and consume the benefits provided by the Companies’ performance over the course of the franchise agreement, which is typically 15 years. Billings and payments occur monthly for the royalty and advertising fees.

In exchange for the license of the Company’s intellectual property, franchisees generally remit initial fees upon signing the first and initial franchise agreement and royalties and advertising fees at a contractual rate of the applicable service sales over the term of the franchise agreement. The

CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC

NOTES TO FINANCIAL STATEMENT
December 31, 2020, 2019 and 2018

NOTE B – REVENUE RECOGNITION – continued.

initial fees upon opening a franchise agreement consist of two separate and distinct performance obligations – initial marketing and training, and licensing. The marketing and training portion of the initial fees are recognized at a point in time as the services are delivered and the licensing portion is recognized over time evenly throughout the term of the franchise agreement. The license provides access to the intellectual property over the term of the franchise agreement and is considered a right-to-access license of symbolic intellectual property as substantially all of its utility is derived from association with the Companies' past and ongoing activities. The license granted to operate each franchise is the predominant item to which the royalties relate and represents a distinct performance obligations which is recognized over time as the underlying sales occur.

NOTE C – RELATED PARTY, NOTES PAYABLE, SHORT TERM

As of December 31, 2020, 2019 and 2018, the Company owed \$11,572, \$0 and \$0 to an officer with ownership. The amounts represent non-interest bearing, short-term working capital advances.

SUPPLEMENTAL INFORMATION

CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC
GENERAL AND ADMINISTRATIVE EXPENSES

For the years ended December 31,
2020, 2019, 2018

	<u>2020</u>	Percent of Sales	<u>2019</u>	Percent of Sales	<u>2018</u>	Percent of Sales
Marketing and advertising	\$ 79,028	14.01 %	\$ 44,634	9.75 %	\$ 28,180	5.91 %
Professional services	50,760	9.00	40,055	8.75	53,925	11.30
Meals and entertainment	2,106	0.37	8,021	1.75	3,079	0.65
Travel and conferences	3,233	0.57	31,226	6.82	7,764	1.63
Bad debt expense	-	0.00	6,928	1.51	1,499	0.31
Office expense	2,856	0.51	2,934	0.64	562	0.12
Dues, fees and subscriptions	704	0.12	4,945	1.08	530	0.11
Shared payroll taxes and other taxes	161	0.03	66	0.01	347	0.07
Bank and credit card fees	4,736	0.84	4,086	0.89	3,010	0.63
Licenses and permits	1,823	0.32	4,285	0.94	7,347	1.54
Franchisee reimbursement	17,664	3.13	-	0.00	-	0.00
Salaries and wages, shared, related parties	124,919	22.16	116,699	25.51	109,005	22.85
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	<u>\$ 287,990</u>	<u>51.06 %</u>	<u>\$ 263,879</u>	<u>57.65 %</u>	<u>\$ 215,248</u>	<u>45.12 %</u>

See Independent Auditor's report.

CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

As of December 31, 2019, 2018 and 2017

CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC
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DOYLE & ASSOCIATES, PLLC
Certified Public Accountants • Business Advisors

Independent Auditors' Report

To the Members
Corporate Cleaning Group Franchise Systems, LLC
Livonia, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of **CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC** (a State of Michigan limited liability company) which comprise the balance sheets as of December 31, 2019, 2018 and 2017, and the related statements of income, members' equity, and cash flows for the years then ended, and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to in the first paragraph presents fairly, in all material respects, the financial position of **CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC** as of December 31, 2019, 2018 and 2017, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Disclaimer of Opinion on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of General and Administrative Expenses, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Doyle & Associates, PLLC

Doyle & Associates, PLLC

Farmington Hills, Michigan

April 7, 2020

CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC**BALANCE SHEETS**

as of December 31, 2019, 2018 and 2017

ASSETS

	<u>2019</u>	<u>2018</u>	<u>2017</u>
CURRENT ASSETS			
Cash in bank	\$ 30,866	\$ 110,117	\$ 34,035
Accounts receivable, trade, less allowance for doubtful accounts of \$650, \$650 and \$650, respectively	54,464	74,261	65,495
Note Receivable - other	9,250	12,800	5,000
Notes Receivable - related parties	-	-	129,596
	<hr/>	<hr/>	<hr/>
Total Current Assets	94,580	197,178	234,126
PROPERTY AND EQUIPMENT			
Equipment	13,868	13,868	13,868
Furniture and fixtures	3,351	3,351	3,351
	<hr/>	<hr/>	<hr/>
Total Property and Equipment	17,219	17,219	17,219
Less: Accumulated depreciation	11,224	9,990	8,722
	<hr/>	<hr/>	<hr/>
Net Property and Equipment	5,995	7,229	8,497
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 100,575</u>	<u>\$ 204,407</u>	<u>\$ 242,623</u>

See accompanying notes to financial statements.

LIABILITIES AND MEMBERS' EQUITY

	<u>2019</u>	<u>2018</u>	<u>2017</u>
CURRENT LIABILITIES			
Accounts payable	\$ 5,267	\$ 11,525	\$ 2,917
	<u>5,267</u>	<u>11,525</u>	<u>2,917</u>
Total Current Liabilities	5,267	11,525	2,917
	5,267	11,525	2,917
MEMBERS' EQUITY			
Members' Equity	<u>95,308</u>	<u>192,882</u>	<u>239,706</u>
	95,308	192,882	239,706
Total Members' Equity	<u>95,308</u>	<u>192,882</u>	<u>239,706</u>
	<u>\$ 100,575</u>	<u>\$ 204,407</u>	<u>\$ 242,623</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY			

See accompanying notes to financial statements.

CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC
STATEMENTS OF INCOME
For the years ended December 31, 2019, 2018 and 2017

	<u>2019</u>	Percent of Sales	<u>2018</u>	Percent of Sales	<u>2017</u>	Percent of Sales
NET SALES	\$ 457,709	100.00 %	\$ 477,067	100.00 %	\$ 398,576	100.00 %
Total Income	457,709	100.00	477,067	100.00	398,576	100.00
GENERAL AND ADMINISTRATIVE EXPENSES	263,879	57.65	215,248	45.12	173,470	25.55
Operating Income	193,830	42.35	261,819	54.88	225,106	74.45
OTHER INCOME (EXPENSE)						
Depreciation expense	(1,234)	(0.27)	(1,268)	(0.27)	(1,358)	(0.35)
Other income	4,316	0.94	3,026	0.63	1,628	0.00
Total Other Income (Expense)	3,082	0.67	1,758	(0.36)	270	(0.35)
NET INCOME	<u>\$ 196,912</u>	<u>43.02 %</u>	<u>\$ 263,577</u>	<u>54.52 %</u>	<u>\$ 225,376</u>	<u>74.09 %</u>

See accompanying notes to financial statements.

CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC
STATEMENTS OF MEMBERS' EQUITY
For the years ended December 31, 2019, 2018 and 2017

	<u>Members'</u> <u>Equity</u>	<u>Activity</u>	<u>Total</u> <u>Members'</u> <u>Equity</u>
BALANCES, January 1, 2017	\$ 281,308		\$ 281,308
2017 Distributions		(266,978)	(266,978)
2017 Net Income		<u>225,376</u>	<u>225,376</u>
BALANCES, December 31, 2017	<u>\$ 281,308</u>	<u>\$ (41,602)</u>	<u>\$ 239,706</u>
BALANCES, January 1, 2018	\$ 239,706		\$ 239,706
2018 Distributions		(310,401)	(310,401)
2018 Net Income		<u>263,577</u>	<u>263,577</u>
BALANCES, December 31, 2018	<u>\$ 239,706</u>	<u>\$ (46,824)</u>	<u>\$ 192,882</u>
BALANCES, January 1, 2019	\$ 192,882	\$ -	\$ 192,882
2019 Distributions		(294,486)	(294,486)
2019 Net Income		<u>196,912</u>	<u>196,912</u>
BALANCES, December 31, 2019	<u>\$ 192,882</u>	<u>\$ (97,574)</u>	<u>\$ 95,308</u>

See the accompanying notes to financial statements.

CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2019, 2018 and 2017

	<u>2019</u>	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 196,912	\$ 263,577	\$ 225,376
Adjustments to reconcile net income to net cash from operating activities:			
Depreciation	1,234	1,268	1,358
Decrease (increase) in assets:			
Accounts receivable	19,797	(8,766)	(40,906)
Notes receivable - other	3,550	(7,800)	(5,000)
Notes receivable - related parties	-	129,596	(27,897)
Increase (decrease) in liabilities:			
Accounts payable	(6,258)	8,608	2,917
Sales taxes payable	-	-	(1,794)
Net cash provided by operating activities	<u>\$ 215,235</u>	<u>\$ 386,483</u>	<u>\$ 154,054</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of equipment, other assets and adjustment	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Shareholder distributions	<u>(294,486)</u>	<u>(310,401)</u>	<u>(266,978)</u>
Net cash (used in) financing activities	<u>(294,486)</u>	<u>(310,401)</u>	<u>(266,978)</u>
Net increase (decrease) in cash	(79,251)	76,082	(112,924)
Cash - beginning	<u>110,117</u>	<u>34,035</u>	<u>146,959</u>
Cash - ending	<u>\$ 30,866</u>	<u>\$ 110,117</u>	<u>\$ 34,035</u>

See the accompanying notes to financial statements.

CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC

NOTES TO FINANCIAL STATEMENT December 31, 2019, 2018 and 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Corporate Cleaning Group Franchise Systems, LLC (the Company) is presented to assist in understanding the Company's financial statement. The financial statement and notes are representations of the Company's management which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statement.

Nature of Operations

Corporate Cleaning Group Franchise Systems, LLC offers franchise opportunities in the operation of commercial, industrial and institutional cleaning and maintenance services.

Cash and cash equivalents

The Company considers all highly-liquid investments with an original maturity of three months or less to be cash equivalents. The Company maintains deposits in a financial institution that at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). The Company believes that there is no significant risk with respect to such deposits.

Trade Accounts Receivable

Trade accounts receivable are stated at the amount management expects to collect on outstanding balances. The carrying amounts of accounts receivable are reduced by a valuation allowance that reflects management's best estimate of the amounts that will not be collected. Management individually reviews all accounts receivable balances that exceed the due date and based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Management believes some accounts may be uncollectible; therefore, an allowance has been established in the amount of \$650 at December 31, 2019, 2018 and 2017. Bad debt expense amounted to \$6,928, \$1,499 and \$0 for the years ended December 31, 2019, 2018 and 2017, respectively.

Financial instruments that potentially subject the company to credit risk consist of trade receivables. The realization of receivables depends upon the particular industry and of the customers within the company's sales region.

Property and Equipment

Management capitalizes expenditures for property and equipment. Property and equipment are carried at cost. Expenditures for maintenance and repairs are charged to operating expense. Adjustments of the assets and the related accumulated depreciation accounts are made for property and equipment retirement and disposals, with the resulting gain or loss, if applicable, included in the statement of income.

CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC

NOTES TO FINANCIAL STATEMENT

December 31, 2019, 2018 and 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued.

The Company provides for depreciation of property and equipment principally by the use of the straight-line method for financial reporting purposes and accelerated methods for income tax purposes. The estimated useful lives of the depreciable assets are:

	<u>YEARS</u>
Equipment	5 - 7
Furniture and fixtures	7
Computer equipment	5

For the years ended December 31, 2019, 2018 and 2017 depreciation expense was \$1,234, \$1,268 and \$1,358, respectively.

Income Taxes

The Company is organized as a Michigan limited liability company. Accordingly, the Company's taxable income and deductions are reported by the members on their individual income tax returns. Effective January 1, 2012, the State of Michigan repealed corporate income taxes for limited liability companies. Therefore, no provision or liabilities for federal or state income taxes have been included in the financial statements and management believes they have not established nexus in any other state. The Company's federal income tax returns are subject to audit. The open tax years are December 31, 2017, 2018, and 2019.

The Companies follow the provisions of FASB Accounting Standards Codification (ASC) 740-10 (formerly FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*) that clarifies the accounting for uncertainty in income taxes by prescribing a minimum recognition threshold that a tax benefit is required to meet before being recognized in the financial statements. The amount recognized is subject to estimate and management judgment with respect to likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position or for all uncertain tax positions in the aggregate could differ from the amount recognized. Management has completed its evaluation of the impact of uncertain tax positions and is unaware of any tax positions that would require disclosure.

Revenue Recognition

The Company's only source of revenue arises from the operation of the Corporate Cleaning Group business by the Company's franchisees. Franchise rights are granted through a franchise agreement that sets out the terms of the arrangement with the franchisee. The franchise agreement requires that the franchisee remit continuing royalty fees to the Company as a percentage of the applicable franchisee's sales in exchange for the license of the intellectual property associated with the Corporate Cleaning Group's brand (the "franchise right"). The franchise agreements also require certain, less significant, upfront franchise fees such as initial fees upon opening a business and training fees.

Continuing royalty fees represent the substantial majority of the consideration the Company receives under the franchise agreements. Continuing royalty fees are billed and paid monthly and are 6% of gross revenue received from the operation of the franchised business. Upfront franchise fees are typically billed and paid when a new franchise agreement becomes effective.

CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC

NOTES TO FINANCIAL STATEMENT

December 31, 2019, 2018 and 2017

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued.

Revenue is recognized from franchisees when obligations under the terms of franchise agreements are satisfied; generally, this occurs at a single point in time when services are performed. Revenue is measured as the amount of consideration expected to be received in exchange for services performed. Costs related to obtaining sales contracts are incidental and are expensed when incurred. Because franchisees are invoiced at the time services are performed and the Company's right to consideration is unconditional at that time, the Company does not maintain contract asset balances. Additionally, the Company does not maintain contract liability balances, as performance obligations are satisfied prior to franchisee payment for services. The Company offers industry standard payment terms.

Marketing and Advertising

The Company follows the policy of charging the costs of marketing and advertising to expense as incurred. For the years ended December 31, 2019, 2018 and 2017 marketing and advertising expenses were \$44,634, \$28,180 and \$556, respectively.

Subsequent events

Subsequent events have been evaluated through April 7, 2020, which is the date the financial statement was available to be issued.

Use of Estimates

The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recently Adopted Accounting Pronouncements

The Company adopted Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as of January 1, 2019, through the modified retrospective method applied to those contracts that were not completed as of January 1, 2019. Results for reporting periods beginning after January 1, 2019, are presented under Topic 606, while prior period amounts are not adjusted and continue to be reported in accordance with the Company's historic accounting under ASC Topic 605. There was no adjustment to adopt Topic 606 since the Company's revenue recognition under Topic 606 is substantially the same as under Topic 605.

NOTE B – RELATED PARTY, NOTES RECEIVABLE AND PAYABLE, SHORT TERM

As of December 31, 2019, 2018 and 2017, the Company was owed \$0, \$0 and \$129,596 from related entities with common ownership. The amounts represent non-interest bearing, short-term working capital advances.

SUPPLEMENTAL INFORMATION

CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC
GENERAL AND ADMINISTRATIVE EXPENSES

For the years ended December 31,
2019, 2018, 2017

	<u>2019</u>	<u>Percent of Sales</u>	<u>2018</u>	<u>Percent of Sales</u>	<u>2017</u>	<u>Percent of Sales</u>
Marketing and advertising	\$ 44,634	9.75 %	\$ 28,180	5.91 %	\$ 556	0.14 %
Professional services	40,055	8.75	53,925	11.30	84,032	21.08
Meals and entertainment	8,021	1.75	3,079	0.65	2,000	0.50
Travel and conferences	31,226	6.82	7,764	1.63	1,358	0.34
Bad debt expense	6,928	1.51	1,499	0.31	-	0.00
Office expense	2,934	0.64	562	0.12	9,106	2.28
Dues, fees and subscriptions	4,945	1.08	530	0.11	2,550	0.64
Shared payroll taxes and other taxes	66	0.01	347	0.07	-	0.00
Bank and credit card fees	4,086	0.89	3,010	0.63	2,241	0.56
Uniforms	-	0.00	-	0.00	-	0.00
Contract labor	-	0.00	-	0.00	-	0.00
Licenses and permits	4,285	0.94	7,347	1.54	-	0.00
Facility rent and utilities	-	0.00	-	0.00	-	0.00
Training and uniforms	-	0.00	-	0.00	7,222	0.00
Salaries and wages, shared, related parties	116,699	25.51	109,005	22.84	64,405	0.00
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	<u>\$ 263,879</u>	<u>57.65 %</u>	<u>\$ 215,248</u>	<u>45.12 %</u>	<u>\$ 173,470</u>	<u>25.55 %</u>

See Independent Auditor's report.

CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

As of December 31, 2018, 2017 and 2016

CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC
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DOYLE & ASSOCIATES, PLLC

Certified Public Accountants • Business Advisors

Independent Auditors' Report

To the Members
Corporate Cleaning Group Franchise Systems, LLC
Livonia, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of **CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC** (a State of Michigan limited liability company) which comprise the balance sheets as of December 31, 2018 and 2017, and the related statements of income, members' equity, and cash flows for the years then ended, and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statement referred to in the first paragraph presents fairly, in all material respects, the financial position of **CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC** as of December 31, 2018 and 2017, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Disclaimer of Opinion on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of General and Administrative Expenses, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Prior Period Financial Statements

The financial statements of **CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC** as of December 31, 2016, were audited by other auditors whose report dated May 2, 2017, expressed an unmodified opinion on those statements.

Doyle & Associates, PLLC

Doyle & Associates, PLLC
Farmington Hills, Michigan
April 18, 2019

CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC

BALANCE SHEETS

as of December 31, 2018, 2017 and 2016

ASSETS

	<u>2018</u>	<u>2017</u>	<u>2016</u>
CURRENT ASSETS			
Cash in bank	\$ 110,117	\$ 34,035	\$ 146,959
Accounts receivable, trade, less allowance for doubtful accounts of \$650, \$650 and \$650, respectively	74,261	65,495	24,589
Note Receivable - other	12,800	5,000	-
Notes Receivable - related parties	-	129,596	101,699
Total Current Assets	<u>197,178</u>	<u>234,126</u>	<u>273,247</u>
PROPERTY AND EQUIPMENT			
Equipment	13,868	13,868	13,868
Furniture and fixtures	3,351	3,351	3,351
Total Property and Equipment	<u>17,219</u>	<u>17,219</u>	<u>17,219</u>
Less: Accumulated depreciation	9,990	8,722	7,364
Net Property and Equipment	<u>7,229</u>	<u>8,497</u>	<u>9,855</u>
TOTAL ASSETS	<u>\$ 204,407</u>	<u>\$ 242,623</u>	<u>\$ 283,102</u>

See accompanying notes to financial statements.

LIABILITIES AND MEMBERS' EQUITY

	<u>2018</u>	<u>2017</u>	<u>2016</u>
CURRENT LIABILITIES			
Accounts payable	\$ 11,525	\$ 2,917	\$ -
Sales taxes payable	-	-	1,794
	<hr/>	<hr/>	<hr/>
Total Current Liabilities	<u>11,525</u>	<u>2,917</u>	<u>1,794</u>
Total Liabilities	11,525	2,917	1,794
MEMBERS' EQUITY			
Members' Equity	<u>192,882</u>	<u>239,706</u>	<u>281,308</u>
Total Members' Equity	<u>192,882</u>	<u>239,706</u>	<u>281,308</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>\$ 204,407</u>	<u>\$ 242,623</u>	<u>\$ 283,102</u>

See accompanying notes to financial statements.

CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC
STATEMENTS OF INCOME

For the years ended December 31, 2018, 2017 and 2016.

	<u>2018</u>	Percent of Sales	<u>2017</u>	Percent of Sales	<u>2016</u>	Percent of Sales
NET SALES	\$ 477,067	100.00 %	\$ 398,576	100.00 %	\$ 314,064	100.00 %
Total Income	477,067	100.00	398,576	100.00	314,064	100.00
GENERAL AND ADMINISTRATIVE EXPENSES	215,248	45.12	173,470	43.52	97,558	28.09
Operating Income	261,819	54.88	225,106	56.48	216,506	71.91
OTHER INCOME (EXPENSE)						
Depreciation expense	(1,268)	(0.27)	(1,358)	(0.34)	(1,358)	(0.44)
Other income	3,026	0.63	1,628	0.00	1,266	0.00
Total Other Income (Expense)	1,758	0.37	270	0.07	(92)	(0.44)
NET INCOME	<u>\$ 263,577</u>	<u>55.25 %</u>	<u>\$ 225,376</u>	<u>56.55 %</u>	<u>\$ 216,414</u>	<u>71.46 %</u>

See accompanying notes to financial statements.

CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC
STATEMENTS OF MEMBERS' EQUITY
For the years ended December 31, 2018, 2017 and 2016

	<u>Members'</u> <u>Equity</u>	<u>Activity</u>	<u>Total</u> <u>Members'</u> <u>Equity</u>
BALANCES, January 1, 2016	\$ 121,840		\$ 121,840
2016 Distributions		(56,946)	(56,946)
2016 Net Income		216,414	216,414
BALANCES, December 31, 2016	<u>\$ 121,840</u>	<u>\$ 159,468</u>	<u>\$ 281,308</u>
BALANCES, January 1, 2017	\$ 281,308		\$ 281,308
2017 Distributions		(266,978)	(266,978)
2017 Net Income		225,376	225,376
BALANCES, December 31, 2017	<u>\$ 281,308</u>	<u>\$ (41,602)</u>	<u>\$ 239,706</u>
BALANCES, January 1, 2018	\$ 239,706	\$ -	\$ 239,706
2018 Distributions		(310,401)	(310,401)
2018 Net Income		263,577	263,577
BALANCES, December 31, 2018	<u>\$ 239,706</u>	<u>\$ (46,824)</u>	<u>\$ 192,882</u>

See the accompanying notes to financial statements.

CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC
STATEMENTS OF CASH FLOWS

For the years ended December 31, 2018, 2017 and 2016

	<u>2018</u>	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 263,577	\$ 225,376	\$ 216,414
Adjustments to reconcile net income (loss) to net cash from operating activities:			
Depreciation	1,268	1,358	1,358
Decrease (increase) in assets:			
Accounts receivable	(8,766)	(40,906)	(19,177)
Notes receivable - other	(7,800)	(5,000)	-
Notes receivable - related parties	129,596	(27,897)	253
Increase (decrease) in liabilities:			
Accounts payable	8,608	2,917	-
Sales taxes payable	-	(1,794)	(346)
Note payable - related parties	-	-	(1,392)
Net cash provided by/(used in) operating activities	<u>\$ 386,483</u>	<u>\$ 154,054</u>	<u>\$ 197,110</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of equipment, other assets and adjustment	-	-	-
Net cash provided by (used in) investing activities	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Shareholder distributions	(310,401)	(266,978)	(56,946)
Net cash provided by/(used in) financing activities	<u>(310,401)</u>	<u>(266,978)</u>	<u>(56,946)</u>
Net increase (decrease) in cash	76,082	(112,924)	140,164
Cash - beginning	34,035	146,959	6,795
Cash - ending	<u>\$ 110,117</u>	<u>\$ 34,035</u>	<u>\$ 146,959</u>
Cash paid for interest	\$ -	\$ -	\$ -
Cash paid for state and local income tax	\$ -	\$ -	\$ -

See the accompanying notes to financial statements.

CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC

NOTES TO FINANCIAL STATEMENT December 31, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Corporate Cleaning Group Franchise Systems, LLC (the Company) is presented to assist in understanding the Company's financial statement. The financial statement and notes are representations of the Company's management which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statement.

Nature of Operations

Corporate Cleaning Group Franchise Systems, LLC offers franchise opportunities in the operation of commercial, industrial and institutional cleaning and maintenance services.

Cash and cash equivalents

The Company considers all highly-liquid investments with an original maturity of three months or less to be cash equivalents. The Company maintains deposits in a financial institution that at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). The Company believes that there is no significant risk with respect to such deposits.

Trade Accounts Receivable

Trade accounts receivable are stated at the amount management expects to collect on outstanding balances. The carrying amounts of accounts receivable are reduced by a valuation allowance that reflects management's best estimate of the amounts that will not be collected. Management individually reviews all accounts receivable balances that exceed the due date and based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Management believes some accounts may be uncollectible; therefore, an allowance has been established in the amount of \$650 at December 31, 2018, 2017 and 2016. Bad debt expense amounted to \$1,499, \$0 and \$386 for the years ended December 31, 2018, 2017 and 2016, respectively.

Financial instruments that potentially subject the company to credit risk consist of trade receivables. The realization of receivables depends upon the particular industry and of the customers within the company's sales region.

Property and Equipment

Management capitalizes expenditures for property and equipment. Property and equipment are carried at cost. Expenditures for maintenance and repairs are charged to operating expense. Adjustments of the assets and the related accumulated depreciation accounts are made for property and equipment retirement and disposals, with the resulting gain or loss, if applicable, included in the statement of income.

CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC

NOTES TO FINANCIAL STATEMENT December 31, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued.

The Company provides for depreciation of property and equipment principally by the use of the straight-line method for financial reporting purposes and accelerated methods for income tax purposes. The estimated useful lives of the depreciable assets are:

	<u>YEARS</u>
Equipment	5-7
Furniture and fixtures	7
Computer equipment	5

For the years ended December 31, 2017, 2016 and 2015 depreciation expense was \$1,268, \$1,358 and \$1,358, respectively.

Income Taxes

The Company is organized as a Michigan limited liability company. Accordingly, the Company's taxable income and deductions are reported by the members on their individual income tax returns. Effective January 1, 2012, the State of Michigan repealed corporate income taxes for limited liability companies. Therefore, no provision or liabilities for federal or state income taxes have been included in the financial statements and management believes they have not established nexus in any other state. The Company's federal income tax returns are subject to audit. The open tax years are December 31, 2016, 2017, and 2018.

The Companies follow the provisions of FASB Accounting Standards Codification (ASC) 740-10 (formerly FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*) that clarifies the accounting for uncertainty in income taxes by prescribing a minimum recognition threshold that a tax benefit is required to meet before being recognized in the financial statements. The amount recognized is subject to estimate and management judgment with respect to likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position or for all uncertain tax positions in the aggregate could differ from the amount recognized. Management has completed its evaluation of the impact of uncertain tax positions and is unaware of any tax positions that would require disclosure.

Revenue Recognition

The Company recognizes revenue from franchisees on a contractual basis as set forth in the franchise agreement.

Marketing and Advertising

The Company follows the policy of charging the costs of marketing and advertising to expense as incurred. For the years ended December 31, 2018, 2017 and 2016 marketing and advertising expenses were \$28,180, \$556 and \$4,395, respectively.

Subsequent events

Subsequent events have been evaluated through April 18, 2019, which is the date the financial statement was available to be issued.

CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC

NOTES TO FINANCIAL STATEMENT
December 31, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued.

Use of Estimates

The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B – OPERATING LEASES:

The company operates in a building leased by a related entity. The company has no written agreement for facility rent but shares the costs with the related party. Facility rent and utilities for the year ended December 31, 2018, 2017 and 2016, was \$0, \$0 and \$0, respectively.

NOTE C – RELATED PARTY, NOTES RECEIVABLE AND PAYABLE, SHORT TERM

As of December 31, 2018, 2017 and 2016, the Company was owed \$0, \$129,596 and \$101,669 from related entities with common ownership. The amounts represent non-interest bearing, short-term working capital advances.

As of December 31, 2018, 2017 and 2016, the Company owed \$0, \$0 and \$0 to related entities with common ownership. The amounts represent non-interest bearing, short-term working capital advances.

SUPPLEMENTAL INFORMATION

CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC
GENERAL AND ADMINISTRATIVE EXPENSES

For the years ended December 31,
2018, 2017, 2016

	<u>2018</u>	Percent of Sales	<u>2017</u>	Percent of Sales	<u>2016</u>	Percent of Sales
Marketing and advertising	\$ 28,180	5.91 %	\$ 556	0.14 %	\$ 4,395	1.40 %
Professional services	53,925	11.30	84,032	21.08	69,180	22.03
Meals and entertainment	3,079	0.65	2,000	0.50	-	0.00
Travel and conferences	7,764	1.63	1,358	0.34	2,000	0.64
Bad debt expense	1,499	0.31	-	0.00	386	0.12
Office expense	562	0.12	9,106	2.28	1,302	0.41
Dues, fees and subscriptions	530	0.11	2,550	0.64	2,180	0.69
Shared payroll taxes and other taxes	347	0.07	-	0.00	-	0.00
Bank and credit card fees	3,010	0.63	2,241	0.56	4,908	1.56
Uniforms	-	0.00	-	0.00	78	0.02
Contract labor	-	0.00	-	0.00	1,280	0.41
Licenses and permits	7,347	1.54	-	0.00	2,516	0.80
Facility rent and utilities	-	0.00	-	0.00	-	0.00
Training and uniforms	-	0.00	7,222	1.81	-	0.00
Salaries and wages, shared, related parties	109,005	22.86	64,405	16.15	9,333	0.00
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	<u>\$ 215,248</u>	<u>45.12 %</u>	<u>\$ 173,470</u>	<u>43.52 %</u>	<u>\$ 97,558</u>	<u>28.09 %</u>

See Independent Auditor's report.



**CORPORATE CLEANING GROUP®
FRANCHISE AGREEMENT**

FRANCHISEE

DATE OF AGREEMENT

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**CORPORATE CLEANING GROUP®
FRANCHISE AGREEMENT**

THIS FRANCHISE AGREEMENT (“Agreement”) is made and entered into this _____ day of _____, 20____, by and between CORPORATE CLEANING GROUP FRANCHISE SYSTEMS LLC, a Michigan limited liability company, with its principal business address at 39201 Schoolcraft Road, Suite B12, Livonia, MI 48150 (the “Franchisor”) and _____, a _____, formed and operated under the laws of the State of _____ (the “Franchisee”).

WITNESSETH

WHEREAS, as the result of the expenditure of time, effort and expense, Franchisor has developed and adapted for its own use and for the use of its franchisees, a unique and distinctive proprietary system for the right to establish and operate CORPORATE CLEANING GROUP businesses (“CORPORATE CLEANING GROUP BUSINESS”), which provide cleaning and maintenance services in the commercial, industrial and institutional fields, or other niche markets as significant customers (the “System”);

WHEREAS, the distinguishing characteristics of the System include, without limitation, management and marketing systems, procedures for the recruitment, hiring and retention of employees, business systems, training and assistance, marketing and promotional programs, operational support, specifications and procedures for the operation of the Franchised Business, all of which may be changed, improved and further developed by Franchisor;

WHEREAS, Franchisor identifies the System and licenses the use of certain trade names, service marks, trademarks, emblems and indicia of origin, including the mark CORPORATE CLEANING GROUP® and other trade names, service marks, trademarks, logos and designs, as are now designated and may hereafter be designated by Franchisor in writing for use by Franchisee with the System (the “Licensed Marks”);

WHEREAS, Franchisee understands and acknowledges the importance of operating the Franchised Business consistent with and conforming to Franchisor’s standards and specifications;

WHEREAS, Franchisee desires to use the System in the operation of the Franchised Business within the Protected Area specified in Exhibit 1 to this Agreement; and

WHEREAS, Franchisee acknowledges that it has conducted an independent investigation of the business contemplated by this Agreement and recognizes, like any other business, the nature of the business conducted as a CORPORATE CLEANING GROUP BUSINESS may evolve and change over time and that an investment in a CORPORATE CLEANING GROUP BUSINESS involves business risks for Franchisee and that the success of the business is dependent upon the business abilities and efforts of Franchisee.

NOW, THEREFORE, the parties, in consideration of the mutual covenants and agreements set forth herein, and intending to be legally bound, agree as follows:

1. DEFINITIONS

For purposes of this Agreement, the terms listed below have the following meanings. Other terms used in this Agreement are defined and construed in the context in which they occur.

A. PREMISES

The term “Premises” shall mean the location approved by Franchisor where the office of the Franchised Business shall be located.

B. PROTECTED AREA

The term “Protected Area” shall mean the geographic area as set forth on Exhibit 1 to this Agreement, in which Franchisee shall have the right to provide commercial cleaning and maintenance services to commercial clients and otherwise operate the Franchised Business.

C. SPECIFICATIONS

The term “Specifications” shall mean the standards, procedures and requirements developed by Franchisor throughout the term of this Agreement for marketing, recruitment, retention, management and operations, and other aspects of the operation of a CORPORATE CLEANING GROUP commercial cleaning and maintenance services business.

D. PRINCIPALS

The term “Principals” includes, collectively and individually, Franchisee’s spouse if Franchisee is an individual; any officers, directors, members and all holders of a direct or indirect interest in the securities of Franchisee (or any corporation or limited liability company that controls Franchisee); any person of any entity directly owning and/or controlling 10% or more of Franchisee, or a managing member or manager of a limited liability company. The initial Principals shall be listed in Exhibit 2.

E. UNIT

The term “Unit” shall mean a single franchised Premises and Protected Area for a distinct Franchise Business acquired by Franchisee or its affiliate. Franchisee may own one or more Units. There will be a separate Franchise Agreement for each Unit.

2. GRANT OF FRANCHISE

A. In reliance upon the representations and warranties of Franchisee and its Principals, Franchisor hereby grants to Franchisee, subject to the provisions contained in this Agreement, the right and license, and Franchisee hereby accepts the right and obligation to own and operate a CORPORATE CLEANING GROUP commercial cleaning and maintenance services business utilizing the System and the Licensed Marks within the Protected Area (the “Franchised Business”). Franchisee is prohibited from providing services outside the Protected Area granted by this Agreement. During the term of this Agreement, provided Franchisee is in compliance with the provisions herein and subject to the reservation of rights in Subsection D (1) below, Franchisor will not operate or authorize another person to operate a CORPORATE CLEANING GROUP BUSINESS within the Protected Area,

B. Franchisee may operate the Franchised Business from his or her residence located within the Protected Area or from an office location selected by Franchisee within the Protected Area.

C. The right and license to operate the Franchised Business granted by this Agreement shall be for a term of 10 years commencing on the date of execution of this Agreement.

D. Notwithstanding the above, Franchisor on behalf of itself and its affiliates, retains the right, in its sole discretion and without granting any rights to Franchisee:

(1) to advertise and promote the System within and outside the Protected Area;

(2) to operate, or grant other persons the right to operate CORPORATE CLEANING GROUP BUSINESSES at locations and within geographic areas and on the terms and conditions as Franchisor determines, outside the Protected Area granted Franchisee;

(3) to provide the services authorized for the Franchised Business under other trademarks, service marks and commercial symbols through similar or dissimilar channels of distribution and pursuant to terms Franchisor deems appropriate, inside and outside the Protected Area granted Franchisee;

(4) to market and sell the services authorized or associated with the Franchised Business under the Licensed Marks through dissimilar channels of distribution, which include, but are not limited to, by electronic means such as the Internet and by websites Franchisor establishes and pursuant to terms Franchisor deems appropriate within and outside the Protected Area granted Franchisee;

(5) to either provide services within your Protected Area (or authorize others to provide services within your Protected Area) to clients with multiple facilities, such as hospitals, churches, assisted living facilities or corporate clients (“National/Regional Account”) located within the Protected Areas granted two or more franchisees, as determined by us, in our sole and absolute discretion;

In the event Franchisee declines to offer Franchised Business services to a National/Regional Account facility located within Franchisee’s Protected Area, then Franchisor has the right to provide the services to the National/Regional Account facility located within Franchisee’s Protected Area or grant another franchisee the right to service the National/Regional Account, without further obligation to Franchisee;

(6) to acquire the assets or ownership interest of one or more businesses providing services similar to those provided at CORPORATE CLEANING GROUP Franchised Businesses, and franchising, licensing or creating similar arrangements with respect to those businesses once acquired, wherever these businesses are located or operating which may include within Franchisee’s Protected Area; and

(7) to be acquired through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction, by a business providing products and services

similar to those provided at CORPORATE CLEANING GROUP Franchised Business, or by another business, even if such business operates, franchises and/or licenses competitive businesses within Franchisee's Protected Area.

3. DUTIES OF FRANCHISEE; GUARANTY BY PRINCIPALS

A. Franchisee and the Principals, as applicable, make the following representations and warranties and accept the following obligations: If Franchisee is a corporation, or a partnership, or a limited liability company, Franchisee represents, warrants and covenants that:

(i) Franchisee is and shall at all times be duly organized and validly existing under the state law of its formation; (ii) Franchisee is duly qualified and is authorized to do business in each jurisdiction in which its business activities or the nature of the properties owned by it require qualification; (iii) the execution and performance of the obligations of this Agreement are within Franchisee's corporate power, if Franchisee is a corporation or if Franchisee is a partnership, permitted under Franchisee's written partnership agreement and if Franchisee is a limited liability company, permitted under the organizational documents; and (iv) copies of its articles of incorporation, bylaws, articles of organization and operating agreements, other governing documents, any amendments, resolutions of the Board of Directors authorizing entry into and performance of this Agreement, and any certificates, buy-sell agreements or other documents restricting the sale or transfer of stock of the corporation, and any other documents Franchisor reasonably requests will be furnished to Franchisor within a reasonable time after receipt of Franchisor's written request; or if Franchisee is a partnership, copies of Franchisee's written partnership agreement, other governing documents and any amendments will be furnished to Franchisor as soon as is practical after receipt of Franchisor's written request, including evidence of consent or approval of the entry into and performance of this Agreement by the requisite number or percentage of partners, if approval or consent is required by Franchisee's partnership agreement, or if Franchisee is a limited liability company, copies of Franchisee's written articles of organization and operating agreement, other governing documents and any amendments have been furnished to Franchisor for the execution of this Agreement.

B. The ownership interests in Franchisee must be accurately and completely described in Exhibit 2 to this Agreement. Further, if Franchisee is a corporation, it must maintain at all times a current list of all owners of record and all beneficial owners of any class of voting securities in Franchisee or, if Franchisee is a partnership, it must maintain at all times a current list of all owners of an interest in the partnership entity, or if Franchisee is a limited liability company, Franchisee must maintain at all times a current list of members and managers. Franchisee must immediately provide a copy of the updated list of owners to Franchisor upon the occurrence of any change of ownership and otherwise make its list of owners available to Franchisor upon request.

C. Franchisee must notify Franchisor if any person ceases to qualify as one of the Franchisee's Principals, or if any individual subsequently qualifies as one of Franchisee's Principals, and such person must execute any documents as Franchisor reasonably requires.

D. Franchisee must maintain stop-transfer instructions against the transfer on its records of any of its equity securities and each stock certificate representing stock of the corporation must have conspicuously endorsed upon it a statement in a form satisfactory to Franchisor that it is held subject to all restrictions imposed upon assignments by this Agreement; provided, however, that the requirements of this Section 3 do not apply to a publicly held corporation. If Franchisee is a partnership, its written partnership agreement must provide that the ownership of an interest in the partnership is held subject to, and that further assignment or transfer is subject to, restrictions imposed on assignments by this Agreement. If Franchisee is a limited liability company, the articles of organization and management agreement must provide

that transfer of an ownership interest is subject to restrictions imposed on assignments by this Agreement.

E. Franchisee must provide Franchisor with the most recent financial statements of Franchisee, which satisfy Franchisor's then-current financial criteria for franchisees. The financial statements must present fairly the financial position of Franchisee, at the dates indicated and with respect to Franchisee, the results of its operations and its cash flow for the year then ended. Franchisor's financial criteria for franchisees will require Franchisee to maintain sufficient working capital to fulfill its obligations under this Agreement. The required financial statements must be in conformity with generally accepted accounting principles ("GAAP") applicable to the respective period involved.

F. Franchisee's Principals must each execute the confidentiality and non-competition covenants set forth in the Confidentiality Agreement and Ancillary Covenants Not to Compete (Exhibit 3). Principals must jointly and severally guarantee Franchisee's performance of all of Franchisee's obligations, covenants and agreements, including any promissory note, in this Agreement.

G. Franchisee and the Principals acknowledge and agree that the representations, warranties and covenants set forth in the above paragraphs are continuing obligations, as applicable, and that any failure to comply with those representations, warranties and covenants shall constitute a material event of default under this Agreement.

H. Upon execution of this Agreement, Franchisee must designate an individual to serve as the Representative of Franchisee who is fully authorized to act on behalf of Franchisee in all transactions with Franchisor (the "Representative"). The Representative must, during the term of this Agreement, meet the following qualifications:

- (1) Maintain a direct or indirect ownership interest in the Franchisee; and
- (2) Devote substantial time and best efforts to the supervision and conduct of the business contemplated by this Agreement.

If, during the term of this Agreement, the Representative is not able to continue to serve in the capacity of Representative or no longer qualifies to act in accordance with this Section 3, Franchisee must promptly notify Franchisor and designate a replacement Representative within 10 days after the Representative ceases to serve or be so qualified.

I. Franchisee and the Principals understand that compliance with Franchisor's training, development and operational requirements by all franchisees operating under the System is an essential and material element of the System. It is also understood that Franchisor and the franchisees operating under the System must expend substantial time, effort and expense in training management personnel for the development and operation of their respective Franchised Business. Accordingly, Franchisee or any Principal must not recruit, designate or employ in a managerial position, any individual who is employed in a managerial position by Franchisor or by any of its affiliates, without the consent of Franchisor. This prohibition includes, but is not limited to, individuals employed by Franchisor in its CORPORATE CLEANING GROUP BUSINESS, or by any other franchisee, without the consent of the other franchisee. In seeking any individual to serve in a managerial position, Franchisee and the Principals shall not discriminate illegally in any manner

whatsoever against any individual.

J. Principals must each execute a Guaranty (Exhibit 4) that personally guaranties that Franchisee will pay and perform all monetary undertaking pursuant to this Agreement and that the Principals will be personally responsible for the breach of any such monetary obligations. This obligation is in addition any obligation to personally guaranty a Promissory Note.

K. Franchisor may charge Franchisee a non-compliance fee of \$100 per week per infraction if the Franchised Business is not in compliance with Brand Standards or this Agreement, in Franchisor's sole discretion.

4. SITE SELECTION AND LEASES

A. Franchisee assumes all costs, liabilities, expenses and responsibilities for locating, obtaining and developing a Franchised Business office for the CORPORATE CLEANING GROUP BUSINESS. Franchisee may operate the CORPORATE CLEANING GROUP BUSINESS from Franchisee's personal residence or at an office location selected by Franchisee within the Protected Area granted by this Agreement. Franchisor is not responsible for approval of a proposed site.

5. TRAINING AND OPERATING ASSISTANCE

A. TRAINING

Before the opening of the Franchised Business, Franchisor will provide, and Franchisee (or if Franchisee is a partnership, corporation, or limited liability company, a partner, shareholder or member who has been approved by Franchisor) and any proposed manager of the Franchised Business must attend, an initial training program on the operation of a CORPORATE CLEANING GROUP BUSINESS. There is no fee for the initial training. Franchisee, however, is solely responsible for the compensation, travel, food, lodging and living expenses incurred by Franchisee and its managers during the initial training program.

The initial training program will last five to seven days and will consist of classes conducted in Livonia, Michigan or at other designated locations. The training program will include instruction relating to the operation of the Franchised Business, cost and cash control, customer marketing, customer service, bid procedures, employee's scheduling and methods of controlling operating costs. Training will cover management roles as well as job functions of employees. A representative of Franchisor's will travel to Franchisee's market area to conduct the sales training portion of the initial training program.

If, during any training program, Franchisor determines that any proposed manager is not qualified to manage the Franchised Business, Franchisor will notify Franchisee and Franchisee may select and enroll a substitute manager in the training program.

After the opening of the Franchised Business, Franchisor may provide additional training (subject to reasonable limitations prescribed by Franchisor as to frequency and time) in the operation of the Franchised Business. Franchisor has the right to assess Franchisee reasonable charges of \$250 per day per person, plus travel and expenses, for any additional and subsequent training or other in-person assistance Franchisee requests.

Franchisee must commence operation of the Franchised Business within 60 days after completion of the initial training, unless otherwise specified in Exhibit 1.

B. HIRING AND TRAINING OF EMPLOYEES BY FRANCHISEE

Franchisee must hire all employees of the Franchised Business, be exclusively responsible for the terms of their employment and compensation and implement a training program for employees of the Franchised Business in compliance with Franchisor's requirements. Franchisee agrees to maintain at all times a staff of trained employees sufficient to operate the Franchised Business. Franchisee is responsible for compliance with minimum wage and overtime requirements of the Federal Fair Labor Standards Act and for determining whether the state and local laws and regulations of Franchisee's Protected Area varies from the minimum wage and overtime requirements of the Federal Fair Labor Standards Act. Franchisee is responsible for compliance with all state or local minimum wage and overtime compensation requirements of the state of Franchisee's Protected Area and with state and local licensing requirements.

Franchisee must comply with Specifications prescribed by Franchisor relative to the operation of the Franchised Business, as indicated in the Operations Manual or as conveyed to Franchisee in writing by Franchisor throughout the term of this Agreement. Failure of Franchisee to comply with the Specifications will be a material violation of this Agreement and constitute good cause for termination. Franchisee agrees that Franchisor does not assume any responsibility or liability for the hiring or training of the employees of the Franchisee, which Franchisee acknowledges is the sole responsibility of Franchisee.

Franchisee must comply with all federal, state and local laws and regulations relative to the operation of the Franchised Business.

C. OPERATING ASSISTANCE

Franchisor may advise Franchisee of operating problems of the Franchised Business disclosed by reports submitted to or inspections made by Franchisor. Further, Franchisor furnishes to Franchisee assistance in connection with the operation of the Franchised Business as Franchisor deems appropriate. Operating assistance may consist of guidance for:

- (1) consultation on promotional, business and operational problems and analysis of marketing and financial data;
- (2) selection, purchasing and marketing of services and supplies;
- (3) marketing assistance and sales promotion programs;
- (4) administrative, bookkeeping, accounting and general operating procedures; and
- (5) developing advertising and promotional materials for local advertising for a Franchised Business.

Guidance, in the sole discretion of Franchisor, may be furnished in the form of Franchisor's Operations Manual, bulletins or other written materials, electronic or telephone consultations and/or

consultations at the offices of Franchisor or at the Franchised Business. Franchisee may request the supplemental in-person consultation services of the Franchisor for which Franchisee must pay Franchisor \$250 per person per day plus travel and expenses for the Franchisor consultant.

D. OPERATIONS MANUAL

Franchisor will loan to Franchisee, during the term of this Agreement, one copy of an Operations Manual, which may consist of one or more handbooks or manuals, and other written materials (collectively, the "Operations Manual"), containing mandatory Specifications and recommended standards and operating procedures prescribed by Franchisor and information relative to other obligations of Franchisee. Franchisor has the right to add to, and otherwise modify, the Operations Manual to reflect changes in authorized services and to Specifications, provided that no addition or modification alters Franchisee's fundamental status and rights. Franchisee must keep his/her copy of the Operations Manual current and the master copy of the Operations Manual maintained by Franchisor at its principal office controls if there is a dispute relative to the contents of the Operations Manual. Franchisor may update the Operations Manual electronically on its website, at its option and in its sole discretion.

6. LICENSED MARKS

A. OWNERSHIP AND GOODWILL OF LICENSED MARKS

Franchisee acknowledges that Franchisee has no interest whatsoever in or to the Licensed Marks and that Franchisee's right to use the Licensed Marks is derived solely from this Agreement and is limited to the conduct of his/her business pursuant to and in compliance with this Agreement and all applicable Specifications, standards and operating procedures prescribed by Franchisor during the term of this Agreement. Any unauthorized use of the Licensed Marks by Franchisee constitutes an infringement of the rights of Franchisor in and to the Licensed Marks.

Franchisee agrees that all usage of the Licensed Marks by Franchisee and any goodwill established exclusively benefits Franchisor, and Franchisee acknowledges that this Agreement does not confer any goodwill or other interests in the Licensed Marks upon Franchisee. Franchisee must not, at any time during the term of this Agreement or after its termination or expiration, contest the validity or ownership of any of the Licensed Marks or assist any other person in contesting the validity or ownership of any of the Licensed Marks.

All provisions of this Agreement applicable to the Licensed Marks apply to any additional trademarks, service marks, logo forms and commercial symbols authorized for use by and licensed to Franchisee pursuant to the franchise.

B. LIMITATIONS ON FRANCHISEE'S USE OF LICENSED MARKS

Franchisee agrees to use the Licensed Marks to identify the Franchised Business, provided that Franchisee identifies himself/herself as the independent owner in the manner prescribed by Franchisor. Franchisee may be granted the right to use its current logo or service mark in conjunction with the Licensed Marks for a limited time of three years from the date of this Agreement, as may be approved by Franchisor in compliance with all of Franchisor's standards and specifications. In such event, at the end of three years Franchisee must use the Licensed Marks as the sole identification of the Franchised Business. Franchisee must not use any Licensed Mark as part of any corporate or trade name or with any prefix, suffix or other modifying words, terms, designs or symbols, or in any

modified form, nor may Franchisee use any Licensed Mark in the sale of any unauthorized product or service or in any other manner not expressly authorized in writing by Franchisor. Franchisee agrees to display the Licensed Marks prominently and in the manner prescribed by Franchisor on signs and forms. Further, Franchisee agrees to give notices of trademark and service mark registrations and copyrights Franchisor specifies and to obtain fictitious or assumed name registrations as may be required under applicable law.

C. RESTRICTIONS ON INTERNET AND WEBSITE USE

Franchisor retains the sole right to advertise the System and to sell products and services on the Internet and to create, operate, maintain and modify, or discontinue the use of, a website using the Licensed Marks. Franchisee shall not in any way: (i) link or frame Franchisor's website; (ii) conduct any business or offer to sell or advertise any products or services on the worldwide web; and (iii) create or register any Internet domain name in connection with Franchisee's Franchised Business.

Franchisee acknowledges that Franchisor is the lawful and sole owner of the domain name "corporatecleaninggroup.com", which domain name incorporates Franchisor's trademark CORPORATE CLEANING GROUP®. Franchisee must not register the trademark CORPORATE CLEANING GROUP® or any of the Licensed Marks now or hereafter owned by Franchisor or any abbreviation, acronym or variation of the Licensed Marks, or any other name that could be deemed confusingly similar, as Internet domain names, including, but not limited to, generic and country code top level domain names available at the present time or in the future. Franchisor retains the sole right to advertise the System on the Internet and to create, operate, maintain and modify, or discontinue the use of, a website using the Licensed Marks. Franchisee has the right to access Franchisor's website; however, except as Franchisor may authorize in writing, in Franchisor's sole discretion, Franchisee shall not in any way: (a) link or frame Franchisee's website; (b) conduct any business or offer to sell or advertise any products or services on the worldwide web; and (c) create or register any Internet domain name in connection with Franchisee's franchise.

D. NOTIFICATION OF INFRINGEMENTS AND CLAIMS

Franchisee must notify Franchisor immediately in writing of any apparent infringement of or challenge to Franchisee's use of any Licensed Mark, or claim by any person of any rights in any Licensed Mark or any similar trade name, trademark or service mark of which Franchisee becomes aware. Franchisee must not communicate with any person other than Franchisor and its counsel in connection with any infringement, challenge or claim. Franchisor has sole discretion to take action it deems appropriate and the right to exclusively control any litigation, U.S. Patent and Trademark Office proceeding or other administrative proceeding arising out of any infringement, challenge or claim or otherwise relating to any Licensed Mark. Franchisee agrees to execute all instruments documents, render assistance and do acts and things as may, in the opinion of Franchisor's counsel, be necessary or advisable to protect and maintain the interests of Franchisor in any litigation, U.S. Patent and Trademark Office proceeding or other administrative proceeding or to otherwise protect and maintain the interests of Franchisor in the Licensed Marks.

E. INDEMNIFICATION OF FRANCHISEE; DISCONTINUANCE OF USE OF LICENSED MARKS

Franchisor agrees to indemnify Franchisee against, and to reimburse Franchisee for, all

damages for which he/she is held liable in any proceeding in which Franchisee's use of any Licensed Mark is held to constitute trademark infringement, unfair competition, or dilution, and for all costs reasonably incurred by Franchisee in the defense of any claim brought against him or in any proceeding in which he/she is named as a party, provided that Franchisee timely notifies Franchisor of the claim or proceeding and has otherwise complied with this Agreement and that Franchisor has the right to defend any claim. If Franchisor defends the claim, Franchisor has no obligation to indemnify or reimburse Franchisee with respect to any fees or disbursements of any attorney retained by Franchisee.

If it becomes advisable at any time, in Franchisor's sole discretion, for Franchisor and/or Franchisee to modify or discontinue use of any Licensed Mark, and/or use one or more additional or substitute trademarks or service marks, Franchisee agrees to comply within a reasonable time after notice by Franchisor, and the sole liability and obligation of Franchisor in any event is to reimburse Franchisee for the out-of-pocket costs of complying with this obligation.

7. CONFIDENTIAL INFORMATION - COVENANTS

A. Franchisor possesses certain confidential information consisting of the methods, techniques, formats, Specifications, procedures, information, systems and knowledge of and experience in the operation and franchising of a CORPORATE CLEANING GROUP BUSINESS (the "Confidential Information"). Franchisor discloses the Confidential Information to Franchisee in furnishing Franchisee the training program, the Operations Manual and in guidance furnished to Franchisee during the term of this Agreement.

B. Franchisee and Franchisee's Principals acknowledge and agree that they will not acquire any interest in the Confidential Information, other than the right to utilize it in the development and operation of the Franchised Business during the term of this Franchise Agreement, and that the use or duplication of the Confidential Information in any other business would constitute an unfair method of competition. Franchisee and Franchisee's Principals acknowledge and agree that the Confidential Information is proprietary and is a trade secret of Franchisor and is disclosed to Franchisee and Franchisee's Principals solely on the condition that Franchisee and Franchisee's Principals agree, and Franchisee and Franchisee's Principals do agree, that they: (1) will not use the Confidential Information in any other business or capacity; (2) will maintain the absolute confidentiality of the Confidential Information during and after the term of the Franchise; (3) will not make unauthorized copies of any portion of the Confidential Information disclosed in written form; and (4) will adopt and implement all reasonable procedures prescribed by Franchisor to prevent unauthorized use or disclosure of the Confidential Information, including restrictions on disclosure to employees of the Franchised Business. Franchisee agrees to use in the operation of its Franchised Business and require its managers to enter into Confidentiality and Ancillary Covenants Not to Compete in the form of Agreement attached as Exhibit 3. Franchisee acknowledges that all of the information it now or obtains in the future concerning the CORPORATE CLEANING GROUP BUSINESS System and the methods of operation and the concepts and methods of promoting the Franchised Business is derived from Franchisor pursuant to this Agreement, and that Franchisee shall not, without the written consent of Franchisor disclose such information or use it for Franchisee's own benefit during the term of this Agreement and for a period of two years thereafter, unless such information constitutes Trade Secrets (as defined below) of Franchisor, in which case, such information will be treated in confidence for as long as such information or data shall constitute a "Trade Secret". Notwithstanding the foregoing, Franchisee may disclose such Confidential Information and Trade Secrets to those employees who need access to

perform their employment duties to Franchisee (and then only to the extent necessary to enable them to perform their employment duties). For purposes of this Agreement, "Trade Secrets" shall mean, information or data about Franchisor or any of its services or products, including, but not limited to, technical or non-technical data, formulae, methods, techniques, drawings, processes, financial data, financial plans, product and promotional plans, lists of actual or potential advertisers, lists of customers or suppliers, that: (a) derives economic value, actual or potential, from not being generally known to, or generally ascertainable by proper means by other persons who can obtain economic value from their disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

C. Franchisee and Franchisee's Principals acknowledge and agree that Franchisor would be unable to protect its Trade Secrets against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among franchisees if franchised owners of Franchised Businesses were permitted to hold interests in any other commercial cleaning or maintenance business. Therefore, with respect to Franchisee, during the term of this Agreement, or with respect to each of Franchisee's Principals, during the term of this Agreement for so long as such individual or entity satisfies the definition of "Principal", neither Franchisee nor any of Franchisee's Principals, any shareholder, member or partner (if Franchisee is a corporation, limited liability company or partnership), nor any member of his/her or their immediate families shall have any interest as an owner, investor, partner, director, officer, employee, consultant, representative or agent, or in any other capacity, in any other commercial cleaning or maintenance business; or any business, enterprise or activity competitive with a CORPORATE CLEANING GROUP BUSINESS, except for other CORPORATE CLEANING GROUP BUSINESSES operated under franchise agreements granted by Franchisor or the ownership of securities listed on a stock exchange or traded on the over-the-counter market that represents one percent or less of that class of securities.

With respect to Franchisee, during the term of this Agreement, or with respect to each of Franchisee's Principals, during the term of this Agreement for so long as such individual or entity satisfies the definition of "Principal", neither Franchisee nor any of Franchisee's Principals, any shareholder, member or partner (if Franchisee is a corporation, limited liability company or partnership), nor any member of his/her or their immediate families shall divert or attempt to divert any business or customer of the Franchised Business to any competitor, by direct or indirect inducement, or otherwise. Further, Franchisee shall not hire or attempt to hire or entice away any employee, representative, or a franchisee of Franchisor or induce any employee, representative, or a franchisee of Franchisor to terminate their respective contractual relationships with Franchisor or with another franchisee.

D. Franchisee agrees that Franchisor has the perpetual right to use and authorize other Franchised Businesses to use, all ideas, concepts, methods and techniques relating to the development and/or operation of a Franchised Business conceived or developed by Franchisee and/or his/her employees during the term of this Agreement. If Franchisee during the term of this Agreement, conceives or develops any improvements or additions to the CORPORATE CLEANING GROUP BUSINESS System or in the method of operation, or of copyrightable works, Internet web pages or any other documents or information pertaining to or relating to the Franchised Business or the System or the operation of the Franchised Business, or any new trade names, trade and service marks or other commercial symbols related to the Franchised Business, or any advertising and promotional ideas (collectively, the "Improvements"), Franchisee shall fully disclose the improvements or additions to Franchisor, without the disclosure of the improvements or additions to others and shall obtain Franchisor's written approval to the use of

such improvements or additions. Any such improvement or addition approved by Franchisor may be used by Franchisor and all other franchisees of Franchisor without any obligation to Franchisee for royalties or similar fees. Franchisee shall assign to Franchisor, without charge, any rights for such improvement or addition, including the right to grant sublicenses to any such improvement or addition. Franchisor, at its discretion, may make application for and own copyrights, patents, trade names, trademarks and service marks relating to any such improvement or addition and Franchisee shall cooperate with Franchisor in securing such rights. Franchisor also may consider such improvements or additions as the property and Trade Secret of Franchisor. In return, Franchisor shall authorize Franchisee to utilize any improvement or addition that may be developed by other CORPORATE CLEANING GROUP BUSINESS franchisees and is authorized generally for use by other CORPORATE CLEANING GROUP franchisees.

8. RELATIONSHIP OF THE PARTIES; INDEMNIFICATION

A. The parties understand and agree that this Agreement does not create a fiduciary relationship between them, that Franchisor and Franchisee are independent contractors and that nothing in this Agreement is intended to make either party a general or special agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose. Franchisee is and shall remain an independent contractor responsible for all obligations and liabilities of, and for all loss or damage to, the Franchised Business.

B. Franchisee must conspicuously identify himself at the premises of the Franchised Business and in all dealings with customers, lessors, contractors, suppliers, public officials and others as the owner of the Franchised Business under a franchise from Franchisor, and must place other notices of independent ownership on signs, forms, stationery, menus, advertising and other materials as Franchisor requires.

C. Franchisor has not authorized or empowered Franchisee to use the Licensed Marks, except as provided by this Agreement. Franchisee must not employ any Licensed Mark in signing any contract, lease, mortgage, check, purchase agreement, negotiable instrument or other legal obligation without the prior written consent of Franchisor, or employ any Licensed Mark in a manner that is likely to result in liability of Franchisor for any indebtedness or obligation of Franchisee.

D. Neither Franchisor nor Franchisee may make any express or implied agreements, guaranties or representations, or incur any debt, in the name of or on behalf of the other or represent that their relationship is other than franchisor and franchisee, and neither Franchisor nor Franchisee are obligated by or have any liability under any agreements or representations made by the other that are not expressly authorized, nor is Franchisor obligated for any damages to any person or property directly or indirectly arising out of the operation of the Franchised Business, whether or not caused by Franchisee's negligent or willful action or failure to act.

E. Franchisor has no liability for any sales, use, excise, gross receipts, property or other taxes, whether levied upon Franchisee, the Franchised Business or its assets, or upon Franchisor in connection with sales made, services performed or business conducted by Franchisee.

F. Franchisee and each of the Principals must, at all times, indemnify and hold harmless to the fullest extent permitted by law, Franchisor, its subsidiaries, its affiliates, successors and assigns and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them from all losses and expenses and for any liability, taxes or damages (actual or consequential) and all reasonable costs and expenses of defending any claim brought against any of them or any action in which any of them is named as a party (including reasonable accountants', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses) which any of them may suffer, sustain or incur by reason of, arising from or in connection with Franchisee's ownership or operation of the Franchised Business, unless the loss, liability or damage is solely due to Franchisor's negligence. This indemnification by Franchisee shall be incurred in connection with any action, suit or proceeding, claim, demand, investigation or inquiry (formal or informal), or any settlement which arises out of or is based upon any of the following:

(1) The infringement, alleged infringement, or any other violation or alleged violation by Franchisee or any of the Principals of any Licensed Mark owned by Franchisor (except the right to use the Licensed Marks, any copyrights or any other proprietary information granted pursuant to this Agreement);

(2) Libel, slander or any other form of defamation of Franchisor, the System or any franchisee operating under the System, by Franchisee or by any of the Principals;

(3) The violation or breach of any warranty, representation, agreement or obligation in this Agreement or any other agreement between Franchisee or any of its affiliates and Franchisor or any of its affiliates, or the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of any of them;

(4) Intentional acts and unintentional acts, errors or omissions of Franchisee, or of any of Franchisee's affiliates or of any of the Principals or the officers, directors, shareholders, partners, agents, representatives, independent contractors or employees of each of them in connection with the establishment or the operation of the Franchised Business, including, without limitation, acts or claims of discrimination of any nature;

(5) Franchisee and each of the Principals agree to give Franchisor prompt notice of any action, suit, proceeding, claim, demand, inquiry or investigation. At the expense and risk of Franchisee and each of the Principals, Franchisor may elect to assume (but under no circumstances is obligated to undertake) the defense and/or settlement of any action, suit, proceeding, claim, demand, inquiry or investigation. An undertaking by Franchisor, does not diminish the obligation of Franchisee and each of the Principals to indemnify Franchisor;

(6) All losses and expenses incurred under this Section 8 shall be chargeable to and paid by Franchisee and any of the Principals pursuant to its obligations of indemnity under this Section 8, regardless of any actions, activity or defense undertaken by Franchisor or the subsequent defense or failure of these actions, activity, or defense. The phrase "losses and expenses" includes, without limitation, all losses, compensatory, exemplary or punitive damages, fines, charges, costs, expenses, lost profits, reasonable attorneys' fees, court costs, settlement amounts, judgments, compensation for damages to the Franchisor's reputation and goodwill, cost of or resulting from delays, financing, cost of advertising material and media time, and cost of

changing, substituting or replacing the same, and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described;

(7) Under no circumstances is the Franchisor required or obligated to seek recovery from third parties or otherwise mitigate their losses in order to maintain a claim against Franchisee or any of the Principals. Franchisee and each of the Principals agree that Franchisor's failure to pursue recovery or mitigate their loss in no way reduces the amounts recoverable from Franchisee or any of the Principals; and

(8) Franchisee and the Principals expressly agree that the terms of this Section 8 shall survive the termination, expiration or transfer of this Agreement or any interest herein.

G. Franchisor agrees to indemnify and hold Franchisee harmless against, and to reimburse him for, any loss, liability or damage (actual or consequential) and all reasonable costs and expenses of defending any claim brought against Franchisee or any action which Franchisee is named as a party (including reasonable accountants', attorneys' and expert witness fees, the cost of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses) which Franchisee may suffer, sustain or incur solely by reason of, arising from or in connection with the negligence of Franchisor (or any of its affiliates).

9. FRANCHISE FEES; PROMISSORY NOTE; PAYMENTS; VETERAN'S DISCOUNT

A. INITIAL FRANCHISE FEE

Franchisee must pay Franchisor a nonrecurring initial franchise fee in the amount shown on Exhibit 5, which amount will vary bases on the number of Units acquired by Franchisee and is payable upon execution of this Agreement and is non-refundable.

B. INITIAL TRAINING FEE

There is no fee for the initial training. Franchisee, however, is solely responsible for the compensation, travel, food, lodging and living expenses incurred by Franchisee and its managers during the initial training.

C. ROYALTY FEE

Franchisee shall pay Franchisor a non-refundable monthly royalty fee equal to 5.5% of Gross Revenue invoiced from the operation of the Franchised Business for all services provided by the Franchised Business, or, beginning after the 6th month of operation, \$500 per month minimum, whichever is greater. The ongoing and continuing royalty fee is due and payable monthly to Franchisor and shall be paid to Franchisor by electronic funds transfer. The Royalty Fee is due and payable to Franchisor on or before the 10th day of each month on the Gross Revenue from the previous month. If Franchisee is eligible to receive a veteran's discount, the parties will execute an Addendum for Veteran's Discount, as set forth on Exhibit 6.

D. DEFINITION OF GROSS REVENUE

The term "Gross Revenue" means the aggregate amount of all sales of services, and the aggregate of all charges for services performed, whether for cash, on credit or otherwise, made and

rendered in, about or in connection with the Franchised Business, provided they are in connection with the business conducted under this Franchise Agreement. The term "Gross Revenue" does not include any federal, state, municipal or other sales, value added or retailer's excise taxes paid or accrued by Franchisee. The term "Gross Revenue" shall not be modified for uncollected accounts. "Gross Revenue" is further defined to mean all revenue or receipts of any kind derived from the operation of the Franchised Business, including all services provided as a direct or indirect consequence of use of Franchisor's Licensed Marks or any aspect of the System. For purposes of the royalty fee, the sale is made at the earlier of delivery of service, or receipt of payment. The royalty fee and report of sales in form and in detail as Franchisor specifies shall be mailed to Franchisor monthly.

E. ROYALTY FEE REPORTS

Each royalty fee payment must be accompanied or preceded by a royalty report itemizing the Gross Revenue for the preceding reporting period and any other reports required. Franchisee must provide Franchisor with the Gross Revenue information on a monthly basis by electronic submission or other method of delivery Franchisor reasonably directs.

F. WEBSITE FEE

In exchange for providing Franchisee with an individual location page on Franchisor's main corporate website and a Micro Site with a separate URL/web address that is customized for Franchisee's territory, Franchisee shall pay Franchisor a one-time fee equal to \$1,200. This fee will be due and payable upon execution of this Agreement.

G. ELECTRONIC FUNDS TRANSFER

By executing this Agreement, Franchisee agrees that Franchisor has the right to withdraw funds from Franchisee's designated bank account by electronic funds transfer ("EFT") in the amount of the royalty fee described above and Note payments, if applicable. If royalty payments are not received when due, interest may be charged by Franchisor in accordance with paragraph I below. Franchisee must execute Exhibit 8 to this Agreement, the Electronic Fund Transfer Authorization, and other documents Franchisor or Franchisee's bank requires to implement the foregoing procedure. It is a material event of default if Franchisee closes the designated bank account without notifying Franchisor, establishing another account, and executing all documents necessary for Franchisor to process payments by EFT for the new designated account.

H. LATE FEE ON PAYMENTS

Franchisee is not entitled to withhold payments due Franchisor under this Agreement on grounds of alleged nonperformance by Franchisor. Any payment or report not actually received by Franchisor on or before the date due is deemed overdue. Franchisor will charge a late fee of \$25 per day or the maximum permitted by applicable law, whichever is less, for each day in which the amounts owed are unpaid or the report is overdue to compensate it for its administrative costs incurred in enforcing the obligation.

Franchisee acknowledges that this Paragraph I does not constitute Franchisor's agreement to accept payments after same are due or a commitment by Franchisor to extend credit to, or otherwise finance Franchisee's operation of, the Franchised Business. Further, Franchisee acknowledges that his/her failure to pay all amounts when due shall constitute grounds for termination of this

Agreement.

I. APPLICATION OF PAYMENTS

Franchisor has sole discretion to apply any payments received from Franchisee or any indebtedness of Franchisor to Franchisee to any past due indebtedness of Franchisee for royalty fees, purchases from Franchisor or its affiliates, interest or any other indebtedness of Franchisee to Franchisor or its affiliates.

J. WITHHOLDING PAYMENTS UNLAWFUL

Franchisee agrees that he will not withhold payment of any royalty, local marketing, national or regional marketing fund or other advertising contribution or any other amount due Franchisor and that the alleged non-performance or breach of any Franchisor's obligations under this Agreement or any related agreement does not establish a right at law or in equity to withhold payment due Franchisor for royalty fees, advertising contributions or any other amounts due.

K. VETERAN'S DISCOUNT

If Franchisee qualifies for a veteran's discount, the Royalties will be as set forth on Exhibit 6, Veteran's Discount Addendum, which must be signed by Franchisor and Franchisee.

10. BUSINESS IMAGE AND OPERATING STANDARDS

A. MAINTAINING UNIFORMITY

Franchisor may establish System standards that Franchisee must meet in the operation of the Franchised Business which may be set forth in the Operations Manual or in other written communication from Franchisor that it may release from time to time.

Franchisee agrees that it is important to maintain uniformity among all CORPORATE CLEANING Franchised Businesses and agrees to comply with all of Franchisor's required standards and specifications relating to the operation of the Franchised Business. These system standards are set forth in the Operations Manual and other written policies that Franchisor may release from time to time. Depending on the nature of the system standard, Franchisor may establish requirements, procedures or guidelines to assist Franchisee in meeting or complying with the standard. Franchisor will establish standards that impact the overall presentation of the CORPORATE CLEANING® brand and concept to customers.

Franchisor may also establish recommendations, procedures or guidelines to assist Franchisee in meeting or complying with a standard. The required system standards will generally relate to the overall presentation of the Corporate Cleaning Groups® brand and concept to customers and in certain reporting obligations to Franchisor. Required system standards may be identified in the Operations Manual or in other written communications.

Franchisor may identify a practice as a "recommendation" or "suggested" practice to assist Franchisee in the operation of the Franchised Business. Franchisee is not required to follow Franchisor's recommendations or suggested practice.

B. CONDITION AND APPEARANCE OF THE BUSINESS

Franchisee must maintain and operate the Franchised Business office in the highest degree of service and appearance. Franchisee must also obtain, at Franchisee's cost and expense, any new or additional equipment (including computer software systems) as Franchisor reasonably requires for Franchisee to offer services for the Franchised Business in the manner Franchisor specifies. Except as may be expressly provided in the Operations Manual, no alterations or improvements or changes of any kind in design, equipment or signage, may be made in or about the Franchised Business without Franchisor's prior written approval. Franchisee agrees to prominently display such placards, signs or other display items as Franchisor may require you to notify the public that the Franchised Business is independently owned and operated by Franchisee.

C. REMEDIES FOR NONCOMPLIANCE WITH OPERATION OF FRANCHISED BUSINESS

If at any time in Franchisor's reasonable judgment the general state of the operation of the Franchised Business, including, without limitation, the quality of cleaning and maintenance services, does not meet Franchisor's standards, Franchisor shall notify Franchisee specifying the action to be taken by Franchisee to correct the deficiency. If Franchisee fails or refuses to initiate within 10 days after receipt of notice, and continue in good faith and with due diligence, a bona fide program to undertake and complete any required improvement in operations or in services, Franchisor has the right to terminate this Agreement on proper notice and opportunity of Franchisee to cure the default, as prescribed in this Agreement.

Franchisee agrees to maintain the condition and appearance of the Franchised Business office consistent with the image of a CORPORATE CLEANING GROUP BUSINESS as an attractive, clean, and professionally operated Franchised Business.

D. DAMAGE CAUSED BY CASUALTY

If the Franchised Business office is damaged or destroyed by fire or any other casualty, Franchisee must, within 30 days, initiate repairs or reconstruction, and thereafter in good faith and with due diligence continue (until completion) repairs or reconstruction, in order to restore the premises of the Franchised Business office to its original condition before casualty.

E. UNIFORM IMAGE; LOCATION RESTRICTION

The presentation of a uniform image to the public is an essential element of a successful franchise system. Franchisee agrees that the Franchised Business will offer only the types of services as Franchisor, in its sole discretion, determines to be appropriate for the Franchised Business. Franchisee is prohibited from offering any product or service in the operation of the Franchised Business which has not been approved by Franchisor.

Franchisee further agrees that the Franchised Business office which it occupies will not be used for any purpose other than the operation of a CORPORATE CLEANING GROUP BUSINESS in compliance with this Agreement.

F. STANDARDS OF SERVICE

The Franchisee must at all times give prompt, courteous and efficient service to its customers.

Franchisee must hire, supervise and train all its employees. Franchisee must not place employees or provide services in the Protected Area of another franchisee, without the written approval of Franchisor. Franchisee shall, in all dealings with its customers and suppliers and the public, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. Franchisee must maintain a competent, conscientious, trained staff and take steps as necessary to ensure that its employees preserve good customer relations and comply with Franchisor's standards.

G. OPERATIONS, STANDARDS AND PROCEDURES

To ensure that the highest degree of quality and service is uniformly maintained, Franchisee must use its best efforts to operate the Franchised Business in compliance with the required standards and specifications of Franchisor as set forth in the Operations Manual and as Franchisor may otherwise reasonably prescribe in writing that impact the overall presentation of Franchisor's Licensed Marks. Franchisee acknowledges and agrees that uniformity of services provided in the operation of the Franchised Business is important to Franchisee and to other CORPORATE CLEANING GROUP BUSINESSES operated by franchisees.

Franchisee agrees to maintain the highest standards of quality and service in the Franchised Business and, accordingly, agrees to comply with all required specifications and procedures (whether contained in the Operations Manual or any other electronic, written or oral communication to Franchisee) relating to the Franchised Business, as determined by Franchisor, including, but not limited to:

- (1) authorized services;
- (2) employment of qualified and trained employees;
- (3) quality and uniformity of services offered;
- (4) hours and days during which the Franchised Business provides services;
- (5) use of Licensed Marks;
- (6) function and appearance of the Franchised Business office; and
- (7) marketing, advertising and promotion.

H. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES

Franchisee shall obtain and maintain in effect all required licenses, permits and certificates relating to the operation of the Franchised Business and shall operate the Franchised Business in full compliance with all applicable federal, state and local laws, ordinances and regulations.

Franchisee must notify Franchisor in writing within five days of the commencement of any action, suit, proceeding or investigation, and of the issuance of any order, writ, injunction, award of decree, by any court, agency, or other governmental instrumentality which may adversely affect the operation or financial condition of Franchisee or the Franchised Business.

All advertising and promotion by Franchisee must be completely factual and not misleading and must conform to the highest standards of ethical advertising and market policies that Franchisor

may periodically require. Franchisee agrees to refrain from any business or advertising practice which may be injurious to the business of Franchisor and the goodwill associated with the Licensed Marks and other Franchised Businesses.

I. MANAGEMENT OF THE FRANCHISED BUSINESS; CONFLICTING INTERESTS

The Franchised Business must at all times be under the direct, day-to-day, full-time supervision of Franchisee (or, if Franchisee is a partnership, corporation, or limited liability company, a partner, shareholder or member who has been approved by Franchisor as the managing partner, shareholder or member and who has satisfactorily completed the training program) or an operating manager who has been approved by Franchisor and who has satisfactorily completed Franchisor's training program. If an operating manager supervises the Franchised Business, Franchisee (or the managing partner, shareholder, or member) must remain active in overseeing the operations of the Franchised Business conducted under the supervision of the manager.

Franchisee has sole authority and is exclusively responsible for hiring, training, supervising and managing Franchisee's employees.

Franchisee must at all times faithfully, honestly and diligently perform his/her obligations and continuously exert his/her best efforts to promote and enhance the operation of the Franchised Business. The person who is responsible for the day-to-day supervision of the Franchised Business (i.e., the managing partner, shareholder, or member, or the approved manager) must assume responsibilities on a full-time basis and must not engage in any other business or other activity, directly or indirectly, that requires any significant management responsibility, time commitments, or otherwise may conflict with Franchisee's obligations.

If at any time the Franchised Business is not being managed by Franchisee (or, if Franchisee is a partnership, corporation, or limited liability company, the managing partner, shareholder or member) or an approved manager who has satisfactorily completed Franchisor's training program, Franchisor is authorized, but is not required, to immediately appoint a manager to maintain the operations of the Franchised Business for and on behalf of Franchisee. Franchisor's appointment of a manager of the Franchised Business does not relieve Franchisee of his/her obligations or constitute a waiver of Franchisor's right to terminate this Agreement. Franchisor is not liable for any debts, losses, costs or expenses incurred in the operations of the Franchised Business or to any creditor of Franchisee for any products, materials, supplies or services purchased by the Franchised Business while it is managed by Franchisor's appointed manager. Franchisor has the right to charge a reasonable fee for management services and to cease to provide management services at any time.

J. INSURANCE

During the term of this Agreement, Franchisee must maintain in force, under policies of insurance issued by insurers, the required types of insurance, including, without limitation, liability insurance for Franchisee and Franchisee's employees, at specific levels of coverage as outlined in this Franchise Agreement. All insurance policies shall be written by an insurance company or companies satisfactory to Franchisor, in compliance with the standards, Specifications, coverage and limits set forth in the operations manual or otherwise provided to Franchisee in writing. All insurance policies (excluding workers' compensation policies) must be issued by an insurance carrier rated A or meeting such other rating or criteria Franchisor may establish from time to time. These policies

must name Franchisor as an additional insured and Franchisee must provide proof of having secured this insurance before the commencement of the Franchised Business. Franchisor may also reasonably increase the minimum liability required coverage annually and require different or additional kinds of insurance to reflect inflation, changes in standards of liability, higher damage awards in the industry, or other relevant changes and circumstances. Franchisee must submit to Franchisor annually a copy of the certificate of insurance or evidence of the renewal or extension of each such insurance policy or any modifications to any such insurance policies. If at any time Franchisee fails or refuses to maintain in effect any insurance coverage required by Franchisor, or to furnish satisfactory evidence of such insurance, Franchisor may, at its option and in addition to other rights and remedies Franchisor may have, obtain insurance coverage, on Franchisee's behalf, and Franchisee agrees to properly execute any applications or other forms or instruments required to obtain any such insurance and pay to Franchisor on demand any cost and premiums incurred by Franchisor. Franchisee's obligation to obtain and maintain the insurance coverage described in this Agreement is a material obligation of this Agreement. Failure to comply shall constitute good cause for termination of this Agreement.

Franchisee must at all times during the term of this Agreement, maintain in force, at its sole expense, on a primary basis with Franchisor, the following insurance, naming Franchisor as an additional insured:

- (1) Commercial general liability insurance, including bodily injury, property damage, personal injury, products and completed operations liability coverage with a combined single limit of not less than \$1,000,000;
- (2) Workers' compensation and employer's liability to meet statutory requirements of Franchisee's state(s) of operation. Franchisee must maintain Workers' Compensation and employer's liability insurance coverage regardless if mandated by state law;
- (3) Commercial property insurance written on a special cause of loss at replacement value;
- (4) Third-party liability bond with a minimum per-occurrence limit of \$25,000;
- (5) Automobile liability insurance for all owned, non-owned and hired automobiles with a single limit coverage of not less than \$1,000,000; and
- (6) An umbrella liability policy in the amount of not less than \$2,000,000, or in an amount as required by Franchisor, based on Franchisee's volume of business.

Other insurance as may be required by the state or locality in which the Franchised Business is located and operated.

Franchisee agrees to indemnify and save harmless Franchisor, its directors, officers and employees, from and against all loss or expense (including costs and attorneys' fees) by reason of liability imposed by law for damages sustained by any person or persons or damage to property, including loss of use thereof, arising out of the performance of this contract, except only damages due to the sole negligence of the Franchisor.

All insurance policies must be issued by the insurance carrier or insurance carriers acceptable to Franchisor and must name Franchisor as an additional insured, must contain a waiver of insurance company's right of subrogation against Franchisor and must provide that Franchisor will receive 30 days prior written notice of termination, expiration or cancellation of policy.

Franchisor may reasonably increase the minimum liability protection requirement annually. Franchisee must submit to Franchisor annually a copy of the certificate of or other evidence of the renewal or extension of each insurance policy. If Franchisee at any time fails or refuses to maintain in effect any insurance coverage required by Franchisor, or to furnish satisfactory evidence, Franchisor, at its option and in addition to its other rights and remedies, may obtain insurance coverage on behalf of Franchisee, and Franchisee must promptly execute any applications or other forms or instruments required to obtain any insurance and pay to Franchisor, on demand, any costs and premiums incurred by Franchisor.

Franchisee is required to submit to Franchisor within 60 days of execution of this Agreement, a copy of the Certificate of Insurance in compliance with the requirements.

K. APPROVED SUPPLIERS

Franchisee agrees that the Franchised Business will only offer services which have been approved by Franchisor, and that Franchisee will only use approved business cards, stationery, office signage, and computer software which comply with Franchisor's Specifications.

Franchisee is prohibited from purchasing designated products and services from suppliers not previously approved by Franchisor. Franchisee may purchase products and services from suppliers suggested by Franchisee, provided the supplier complies with the standards and specifications for any product or service and the supplier satisfies Franchisor's supplier criteria. If Franchisee proposes to purchase approved products and services from a supplier not previously approved by Franchisor, then Franchisee must first notify Franchisor in writing and submit sufficient information, specifications and samples concerning the product or service to Franchisor for its determination whether the product or service complies with Franchisor's specifications and standards and/or whether the supplier meets Franchisor's approved supplier criteria. Franchisor will notify Franchisee within 30 days from receipt of the samples of product or services from the supplier requested by Franchisee for approval, whether or not the proposed supplier is approved. Franchisor may establish procedures for the submission of request for approved suppliers. In the event the supplier is approved, Franchisor may withdraw the approval if supplier fails to produce products or services in compliance with Franchisor's standards and specifications, or in compliance with approved supplier criteria established by Franchisor which may include pricing considerations and whether the supplier meets the requirements for delivery. Franchisee may propose additional suppliers for approved products and services at any time throughout the term of this Agreement. Once the supplier is approved, Franchisee may purchase the product or service from the duly approved supplier or previously approved suppliers.

Franchisor may develop proprietary software which Franchisor may require Franchisee to utilize in the operation of Franchisee's Franchised Business, upon 30 days written notice from Franchisor.

Franchisee must utilize an approved supplier or Franchisor to provide payroll services to

Franchisee and its employees. Franchisee must pay Franchisor, or Franchisor's Affiliate, or the approved payroll services provider, the fees charged by Franchisor or by the approved payroll services provider, at the current rate charged by the approved payroll services provider or by Franchisor, according to the terms of payment established by Franchisor or by the approved payroll services provider.

Franchisee may be required to pay Franchisor or its designee applicable software license and maintenance fees.

L. SOLICITATION OF PROSPECTS

Franchisee may solicit all prospects within the Protected Area; Franchisee may not solicit or accept business outside the Protected Area without receiving written permission from Franchisor to do so. Franchisor in its sole discretion may allow Franchisee to solicit or accept orders outside the Protected Area if there is not an existing franchisee operating in that area. If such approval is granted to Franchisee to solicit or accept orders outside the Protected Area, Franchisor must immediately stop soliciting or accepting orders in any area outside of the Protected Area upon notice from Franchisor.

M. ANNUAL CONFERENCE

Currently, there is no annual conference. Franchisor reserves the right to establish one in order to maintain the Brand Standards. Franchisor may charge up to \$1,000 or the current registration fee, whether the Franchisee attends or not. In addition to the registration fee, Franchisee must pay for travel, lodging and food for those who attend from its Franchised Business.

11. FRANCHISOR'S OBLIGATIONS

Franchisor agrees to provide the following services to Franchisee:

- (1) provide an initial training program to Franchisee in the operation of a CORPORATE CLEANING GROUP BUSINESS;
- (2) provide consulting services to Franchisee in the operation of the Franchised Business;
- (3) provide Franchisee an initial supply of 120 marketing brochures; Franchisee may purchase from Franchisor additional copies of marketing brochures;
- (4) provide assistance to the Franchisee in the initial operation and marketing of the Franchised Business;
- (5) provide, on loan to Franchisee, the confidential Operations Manual;
- (6) assist Franchisee in the preparation of advertising and marketing materials;
- (7) provide ongoing consultation and operations support services to Franchisee periodically by written or electronic communication, semi-annual visits to the office of the Franchised Business and by adopting modifications to the Operations Manual;

and

- (8) provide assistance in marketing and research for Franchisee;

Franchisor may provide Franchisee the foregoing assistance by utilization of written or electronic communication, by telephone conferences, at periodic meetings with one or more franchisees, in the review of Franchisee's operation of its Franchised Business or in the review of reports and materials submitted by Franchisee.

12. MARKETING AND RESEARCH

A. GENERAL ASSISTANCE BY FRANCHISOR

Franchisor will provide Franchisee with marketing and research assistance. Franchisor will provide marketing and inside sales assistance to Franchisee, which may include the following: inside sales initiatives, search engine optimization (SEO), website strategy and other types of marketing assistance. In addition, Franchisor will assign Franchisee an inside sales representative who will work with Franchisee on strategy and marketing calls to help generate customer leads.

Franchisor will furnish Franchisee with 120 copies of a marketing brochure and may develop for purchase by Franchisee advertising and marketing materials and direct mail materials.

B. INITIAL MARKETING PROGRAM

Franchisee must pay Franchisor \$5,000 for a boost marketing program for the first 90 days that Franchise is open. This program is intended to generate awareness within the Protected Area. The fee will be allocated to execute an integrated marketing plan.

C. LOCAL MARKETING FEE

Franchisee must pay Franchisor a non-refundable monthly local marketing fee equal to 1.5% of Gross Revenue invoiced from the operation of the Franchised Business for all services provided by the Franchised Business. The ongoing and continuing local marketing fee is due and payable monthly to Franchisor and shall be paid to Franchisor by electronic funds transfer at the same time as the Royalty Fee. The local marketing fee will cover advertising and marketing targeted to Franchisee's specific market, as well as guidance concerning effective marketing activities Franchisee may undertake in its market. Such fees shall be allocated to a separate "local marketing fund account" established by Franchisor. Franchisee understands and acknowledges that other franchisees who have different franchise agreements may have a different local marketing requirement than the one in this Agreement.

Franchisee agrees that the funds shall be maintained and administered by Franchisor as follows:

1. Franchisor shall direct or provide all advertising and local marketing programs paid by the local marketing fee with sole discretion to approve or disapprove the creative concepts, material and media used in such programs and the placement and allocation thereof. In administering the funds, Franchisor will take commercially reasonable efforts to make expenditures for Franchisee which are equivalent or proportionate to its contribution.

2. Franchisee agrees that the funds may be used to satisfy any and all costs of maintaining, administering, directing and preparing advertising (including without limitation, marketing research, development of new products and services, the cost of preparing and conducting media advertising campaigns, direct mail and billboard advertising, public relations activities, employing advertising and marketing agencies to assist these efforts and providing brochures and other advertising materials to Units operating under the System). Sums paid by Franchisee as a local marketing fee shall not be used to defray any of Franchisor's general operating expenses, except for such reasonable administrative costs and overhead as Franchisor may incur in activities reasonably related to the administration or direction of the funds and advertising or marketing programs for the franchisee and the System.
3. Franchisor may spend in any fiscal year an amount greater or less than the aggregate contributions of the franchisees to the local marketing fund in that year and Franchisor may make loans to the fund bearing reasonable interest to cover any deficits of the fund and cause the fund to invest any surplus for future use by the fund.

D. NATIONAL OR REGIONAL ADVERTISING FUND

There is currently no national or regional advertising fund in which Franchisee must participate. Franchisor reserves the right to establish one or both at any time. When Franchisor establishes a national or regional advertising fund(s), Franchisee must pay Franchisor a fee of up to 2% of total Gross Revenue invoiced for the fund(s). Franchisee agrees and acknowledges that such fund or funds are intended to maximize general public recognition and acceptance of the CORPORATE CLEANING® brand and concept. Such funds shall be allocated to a separate "advertising account" established by Franchisor. In the event a fund or funds are established, Franchisor shall provide written notice to Franchisee and Franchisee shall make contributions to any such fund or funds.

Franchisee agrees that the funds shall be maintained and administered by Franchisor as follows:

1. Franchisor shall direct all advertising and marketing programs with sole discretion to approve or disapprove the creative concepts, material and media used in such programs and the placement and allocation thereof. In administering the funds, Franchisor undertakes no obligation to make expenditures for Franchisee which are equivalent or proportionate to its contribution, or to ensure any particular franchisee benefits directly or pro rata from the placement of advertising.
2. Franchisee agrees that the funds may be used to satisfy any and all costs of maintaining, administering, directing and preparing advertising (including without limitation, marketing research, development of new products and services, the cost of preparing and conducting media advertising campaigns, direct mail and billboard advertising, public relations activities, employing advertising and marketing agencies to assist these efforts and providing brochures and other advertising materials to Units operating under the System). Sums paid by Franchisee to the funds shall not be used to defray any of Franchisor's general operating expenses, except for such reasonable administrative costs and overhead as Franchisor may incur in activities reasonably related to the administration or direction of the funds and advertising or marketing

programs for the franchisee and the System.

3. Franchisor may spend in any fiscal year an amount greater or less than the aggregate contributions of the franchisees to the funds in that year and Franchisor may make loans to the funds bearing reasonable interest to cover any deficits of the funds and cause the funds to invest any surplus for future use by the funds.

E. ADVERTISING COOPERATIVES

There are currently no advertising cooperatives. If such cooperatives are established in the future, Franchisee may be required to participate and contribute, in accordance with the majority vote of the cooperative. Any amount you must contribute to the cooperative will be credited against the required local advertising fee.

F. APPROVAL OF ADVERTISING

Before you use any advertising, promotion or marketing materials, Franchisee must send Franchisor samples of all such materials that Franchisor has not prepared or previously approved. If Franchisee does not receive written disapproval within 15 days after Franchisor has received such materials, they are deemed to be approved. Franchisee may not use any advertising, promotional or marketing materials that Franchisor has not approved, deemed to be approved or have disapproved.

13. RECORDS AND REPORTS

A. ACCOUNTING AND RECORDS

Franchisee must maintain during the term of this Agreement and must preserve for at least three years from their respective dates of preparation, full, complete and accurate books, records and accounts including, without limitation, employment contracts with the commercial cleaning and maintenance clients of the Franchisee and the Franchised Business, copies of all contracts with customers, payroll records, bank statements, sales tax records and returns, all cash receipts and all disbursements, all journals and ledgers, all records of EFT transactions and backup or archived records of information maintained on any computer system utilized in the Franchised Business, in accordance with generally accepted accounting principles, and in the form and manner Franchisor prescribes in the Operations Manual or as otherwise prescribed in writing by Franchisor.

B. REPORTS

In addition to the reports required in paragraph A above, Franchisee must comply with the following reporting obligations:

- (1) At Franchisee's expense and as requested by Franchisor, submit to Franchisor in the form Franchisor reasonably requires, an unaudited profit and loss statement and unaudited balance sheet for each month for Franchisee and the operation of the Agency within 20 days after the end of each month during the term of this Agreement;
- (2) Franchisee must, at its expense, provide to Franchisor annual financial statements (which may be unaudited) reviewed by an independent certified public accountant in accordance with GAAP, or acknowledged in writing by the Chief Executive

Officer of the Franchisee as to their accuracy, the annual financial statements, including an earnings statement and balance sheet within 60 days from the end of each of Franchisee's fiscal year end.

(3) Franchisee must timely submit to Franchisor any other forms, reports, records, information and data as Franchisor may reasonably request.

C. BOOKS, RECORDS AND COMPUTER INFORMATION

Franchisor requires Franchisee to maintain a computer and specific software necessary to provide Franchisee with accounting systems and payroll and job cost activities. The Franchisor or its designee shall have the right at all reasonable times to review, audit, examine and copy any and all the books and records, cash control devices, computers, sales and income tax records of Franchisee. Franchisee shall make such books and records and computers available to Franchisor or its designee at the time of request and must cooperate with Franchisor, its representatives or independent accountants utilized by Franchisor. Some required software may permit Franchisor to view data utilized in dashboards and financial reporting in order to monitor franchisee operations.

D. DISCLOSURE OF DATA

Franchisee hereby authorizes Franchisor to disclose data concerning the operation of the Franchised Business from Franchisee's reports, if Franchisor determines, in its sole discretion, that disclosure is necessary or advisable, including, without limitation, the right of Franchisor to disclose such information to prospective franchisees or existing Franchisees or to other third parties.

14. INSPECTION AND AUDITS

A. THE FRANCHISOR'S RIGHT TO INSPECT THE FRANCHISED BUSINESS

Franchisor has the right at any time during business hours, and without prior notice to Franchisee, to inspect the Franchised Business. Franchisee must fully cooperate with representatives of Franchisor making any inspection.

B. THE FRANCHISOR'S RIGHT TO EXAMINE BOOKS AND RECORDS

Franchisor has the right at any time during business hours, and without prior notice to Franchisee, to examine or audit, or cause to be examined or audited, the business records, cash control devices, bookkeeping and accounting records, bank statements, sales and income tax records and returns and other books and records of the Franchised Business and the books and records of any corporation, partnership or limited liability company which operates the Franchised Business. Franchisee must fully cooperate with representatives of Franchisor and independent accountants hired by Franchisor to conduct any examination or audit.

If any examination or audit discloses an understatement of Gross Revenue, Franchisee must pay Franchisor, within 15 days after receipt of the examination or audit report, the royalty fees due on the amount of the understatement, plus interest (at the rate and on the terms provided in this Agreement) from the date originally due until the date of payment. Further, if the examination or audit is made necessary by the failure of Franchisee to furnish reports, supporting records, financial statements or other documents or information, as required, or failure to furnish reports, records,

financial statements, documents or information on a timely basis, or if an understatement of Gross Revenue for any month is determined by any examination or audit to be greater than 2%, Franchisee must reimburse Franchisor for the cost of the audit or examination, including the charges of any independent accountants and the travel expenses, room and board and compensation of employees of Franchisor, plus 1.5% interest per month on underpayment. The foregoing remedies are in addition to all other remedies and rights of Franchisor under applicable law.

Notwithstanding any forms and documents which Franchisee may have executed, Franchisee appoints Franchisor its true and lawful attorney-in-fact with full power and authority, for the sole purpose of obtaining any and all returns and reports Franchisee files with any state and/or federal taxing authority. This power of attorney survives the expiration or termination of this Agreement.

15. TRANSFER OF INTEREST

A. BY THE FRANCHISOR

Franchisor has the right to transfer or assign this Agreement and all or any part of its rights or obligations to any person or legal entity.

B. FRANCHISEE MAY NOT ASSIGN OR SELL SUBSTANTIALLY ALL OF ITS ASSETS WITHOUT APPROVAL OF THE FRANCHISOR

Franchisee understands and acknowledges that the rights and duties created by this Agreement are personal to Franchisee and its owners and that Franchisor has granted the Franchised Business in reliance upon the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of Franchisee or its owners or members. Except as expressly permitted by Section 15.E of this Agreement neither the Franchised Business nor any interest therein nor any of the assets nor any ownership or equity interest in Franchisee may be directly or indirectly, assigned, sold, subdivided, subfranchised or otherwise transferred by Franchisee or its owners (including by merger or consolidation, or by issuance of additional securities representing an ownership interest in Franchisee, or by conversion of a general partnership to a limited partnership, by transfer or creation of an interest as a general partner of a partnership, or by transfer of an interest in Franchisee or in this Agreement in a divorce proceeding, or if Franchisee or an owner of Franchisee dies, by will, declaration of or transfer in trust or the laws of the intestate succession) without the prior written approval of Franchisor, and any assignment or transfer without such approval shall constitute a breach of this Agreement and shall not convey any rights to or interests in the Franchised Business or any of its assets.

C. CONDITIONS FOR APPROVAL OF ASSIGNMENT OR SALE OF ASSETS

If Franchisee and its owners are in full compliance with this Agreement, Franchisor shall not unreasonably withhold its approval of either an assignment of this Franchise Agreement or the sale of substantially all of the assets of Franchisee's Franchised Business, provided that the proposed assignee, buyer, or other transferee (the "transferee") is of good moral character and has sufficient business experience, aptitude and financial resources to own and operate the Franchised Business and otherwise meets Franchisor's then applicable standards for franchisees, in Franchisor's sole discretion, and further provided that Franchisor may require that any one or more of the following conditions be met before, or concurrently with, the effective date of the assignment or sale of assets or

other interest in Franchisee:

(1) all of the accrued monetary obligations of Franchisee or any of its affiliates and all other outstanding obligations to Franchisor or any of its affiliates arising under this Agreement or any other Agreement must be satisfied in a timely manner and Franchisee must satisfy all trade accounts and other debts, of whatever nature or kind, in a timely manner;

(2) Franchisee and its affiliates must not be in default of any provisions of this Agreement, or of any amendment, or any other agreement between Franchisee or any of its affiliates and Franchisor or any of its affiliates, and Franchisee must have substantially and timely complied with all the terms and conditions of all agreements during the term of this Agreement;

(3) the Franchisee and its principals (if applicable) must execute a general release in a form satisfactory to Franchisor, releasing Franchisor, its affiliates and the officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, in their corporate and individual capacities, of any and all claims including claims arising under this Agreement and claims made under federal, state and local laws, rules and regulations;

(4) the transferee must submit to a criminal and credit background investigation;

(5) the transferee or purchaser of the assets must enter into a written agreement, in a form satisfactory to Franchisor, assuming full, unconditional, joint and several liability for, and agreeing to perform from the date of the transfer or sale of assets, all obligations, covenants and agreements contained in this Agreement; and, if transferee is a corporation, partnership, or limited liability company transferee's shareholders, partners, members, or other investors, as applicable, must execute agreements as transferee's principals and guarantee the performance of all obligations, covenants and agreements;

(6) the transferee or purchaser of the assets must execute a new Franchise Agreement for the term established, which shall be the standard form of Franchise Agreement then being offered to new franchisees, and other ancillary agreements as Franchisor requires for the Franchised Business which agreement supersedes this Agreement and its ancillary documents in all respects and the terms of which agreements may differ from the terms in this Agreement. The transferee is not required to pay any initial franchise fee. If transferee is a corporation, partnership, or limited liability company its shareholders, partners, members or other investors, as applicable, must execute agreements as transferee's principals and guarantee the performance of all obligations, covenants and agreements;

(7) the transferee, at its expense, must renovate, modernize and otherwise upgrade the Franchised Business to conform to the then-current standards and specifications of the System, and must complete the upgrading and other requirements within the time period Franchisor reasonably specifies;

(8) the Franchisee remains liable for all the obligations to Franchisor in connection to the Franchised Business incurred before the effective date of the transfer and must execute any and all instruments Franchisor reasonably requests to evidence that liability;

(9) the transferee, the transferee's operating principal, general manager and/or any other applicable Franchised Business personnel must successfully complete any training programs then in effect for franchisees of Franchised Businesses upon terms and conditions Franchisor reasonably requires;

(10) Franchisee or transferee or purchaser of the assets must pay a non-refundable transfer fee to Franchisor of \$15,000, plus all brokerage, commissions, finder fees and similar charges incurred by Franchisor in connection with the transfer;

(11) Franchisor approves the material terms and conditions of the transfer or sale of assets and determines that the price and terms of payment are not so burdensome as to materially affect the future operations of the Franchised Business by the transferee;

(12) Franchisee (and each of its owners or members, if Franchisee is a corporation, partnership or limited liability company) has executed a non-competition covenant in favor of Franchisor and the transferee, agreeing that for a minimum period of two years, commencing on the effective date of the assignment or sale of assets, he/she will not have any direct or indirect interest as an owner, investor, partner, director, officer, employee, consultant, representative or agent, or in any other capacity, in any other commercial cleaning or maintenance service business or any business, enterprise or activity competitive with a CORPORATE CLEANING GROUP BUSINESS located or operating within the Protected Area of this Agreement subject to transfer or within the Protected Area of any other CORPORATE CLEANING GROUP BUSINESS operated by Franchisor or by any Franchisee of Franchisor in operation on the effective date of the assignment or sale of assets, except for other CORPORATE CLEANING GROUP BUSINESSES operated under franchise agreements granted by Franchisor or the ownership of securities listed on a stock exchange or traded on the over-the-counter market that represent one percent or less of that class of stock; and

(13) Franchisee has entered into an agreement with Franchisor agreeing to subordinate to transferee's obligations to Franchisor, including any royalty fees, any obligations of transferee to make installment payments of the purchase price to Franchisee. Franchisor's consent to an assignment or sale of substantially all of the assets or of any other interest subject to the restrictions of this Agreement does not constitute a waiver of any claims it may have against the Franchisee, nor is it deemed a waiver of Franchisor's right to demand exact compliance with any of the terms or conditions of this Agreement by the transferee or by the purchaser of the assets.

D. DEATH OR DISABILITY OF FRANCHISEE

Upon the death or permanent disability of Franchisee (or the managing shareholder, partner or member), the executor, administrator, conservator or other personal representative of that person, or the remaining shareholders, partners or members, must appoint a competent manager within a reasonable time, not to exceed 30 days from the date of death or permanent disability. The

appointment of a manager is subject to Franchisor's training program. If the Franchised Business is not being managed by a Franchisor-approved manager within 30 days after death or permanent disability, Franchisor is authorized, but is not required, to immediately appoint a manager to maintain the operations of the Franchised Business for and on behalf of Franchisee until an approved assignee is able to assume the management and operation of the Business. Franchisor's appointment of a manager of the Franchised Business does not relieve Franchisee of his/her obligations, and Franchisor is not liable for any debts, losses, costs or expenses incurred in the operations of the Franchised Business or to any creditor of Franchisee for any products, materials, supplies or services purchased by the Franchised Business during any period in which it is managed by Franchisor's appointed manager. Franchisor has the right to charge a reasonable fee for management services and to cease to provide management services at any time.

Upon the death or permanent disability of Franchisee (or any shareholder, partner or member of Franchisee, if Franchisee is a corporation, partnership or limited liability company), the executor, administrator, conservator or other personal representative of that person must transfer his/her interest within a reasonable time, not to exceed 12 months from the date of death or permanent disability, to a person approved by Franchisor. Approval of a transfer will not be unreasonably withheld. Transfers, including transfers by devise or inheritance, are subject to all the terms and conditions for assignment and transfers contained in Paragraphs B and C of this Section 15. Failure to so dispose of this interest within that period of time constitutes grounds for termination.

E. ASSIGNMENT TO A CORPORATION OR LIMITED LIABILITY COMPANY

Upon 30 days prior written notice to Franchisor, the Franchised Business and the assets and liabilities of the Franchised Business may be assigned, by an agreement in form and substance approved by Franchisor, to an entity that conducts no business other than the CORPORATE CLEANING GROUP BUSINESS (or other Franchised Businesses under franchise agreements granted by Franchisor), which is actively managed by Franchisee and in which Franchisee controls not less than 51% of the voting equity of such entity. Any such assignment shall not relieve Franchisee of any obligations, and Franchisee shall remain jointly and severally liable for all obligations of Franchisee under this Agreement. The governing and organizational documents of any entity which is Franchisee must recite that the issuance and assignment of any interest is restricted by the terms of Paragraphs B and C of this Section 15 and all certificates representing such ownership must bear a legend reflecting or referring to the restrictions of Paragraphs B and C of this Section 15. There is no assignment fee due for this transfer.

Any person who is or becomes an owner of Franchisee or has or acquires any ownership of any shares of any equity of Franchisee must execute an agreement approved by Franchisor undertaking to be bound jointly and severally by all provisions of this Agreement. Franchisee must furnish to Franchisor, at any time upon request, a certified copy of the articles of incorporation or the articles of organization and a list, in a form Franchisor requires, of all owners of record and all persons having beneficial ownership of Franchisee reflecting their respective interests in Franchisee.

F. PUBLIC OR PRIVATE OFFERINGS

If Franchisee (or any of its owners or members), subject to the restrictions and conditions of transfer contained in this Section, attempts to raise or secure funds by the sale of securities (including common or preferred stock, bonds, debentures or general or limited partnership interests) in

Franchisee or any affiliate of Franchisee, Franchisee, recognizing that the written information used may reflect upon Franchisor, agrees to submit any written information to Franchisor before its inclusion in any registration statement, prospectus or similar offering circular or memorandum. The written consent of Franchisor pursuant to this Paragraph F does not imply or constitute the approval of Franchisor with respect to the method of financing, the offering literature submitted to Franchisor or any other aspect of the offering. No information respecting Franchisor or any of its affiliates shall be included in any securities disclosure document, unless the information has been furnished by Franchisor, in writing, pursuant to the written request of the Franchisee, in which the Franchisee states the specific purpose for which the information is to be used. Should Franchisor, in its sole discretion, object to any reference to Franchisor or any of its affiliates or any of their businesses in the offering literature or prospectus, the literature or prospectus shall not be used unless and until the objections of Franchisor are withdrawn. Franchisor assumes no responsibility for the offering whatsoever.

The prospectus or other literature utilized in any offering must contain the following language in bold-faced type on the first textual page:

NEITHER CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC NOR ANY OF ITS AFFILIATES IS DIRECTLY OR INDIRECTLY THE ISSUER OF THE SECURITIES OFFERED. NEITHER CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC NOR ANY OF ITS AFFILIATES ASSUMES ANY RESPONSIBILITY WITH RESPECT TO THIS OFFERING AND/OR THE ADEQUACY OR ACCURACY OF THE INFORMATION SET FORTH, INCLUDING ANY STATEMENTS MADE WITH RESPECT TO ANY OF THEM. NEITHER CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC NOR ANY OF ITS AFFILIATES ENDORSES OR MAKES ANY RECOMMENDATION WITH RESPECT TO THE INVESTMENT CONTEMPLATED BY THIS OFFERING.

Franchisee and each of its owners agree to indemnify, defend and hold harmless Franchisor and its affiliates, and their respective officers, directors, employees and agents, from any and all claims, demands, liabilities, and all costs and expenses (including reasonable attorneys' fees) incurred in the defense of claims, demands or liabilities, arising from the offer or sale of securities, whether asserted by a purchaser of any security or by a governmental agency.

G. THE FRANCHISOR'S RIGHT OF FIRST REFUSAL

If Franchisee or its owners or members at any time determine to sell or to transfer for consideration the Franchise, the Franchised Business (or an interest) or an ownership interest in Franchisee, Franchisee or its owners or members must obtain a bona fide, executed written offer from a responsible and fully disclosed purchaser and must submit an exact copy of the offer to Franchisor. Franchisor has the right, exercisable by written notice delivered to Franchisee or its owners or members within 10 days from the date of delivery of an exact copy of an offer to Franchisor to purchase interest in the Franchised Business or ownership interest in Franchisee or membership interest in Franchisee for the price and on the terms and conditions contained in the offer, provided that Franchisor may substitute cash for any form of payment proposed in the offer and has a minimum of 30 days to prepare for closing. If Franchisor does not exercise its right of first refusal, Franchisee or its owners may complete the sale to purchaser pursuant to and on the terms of the offer, in Paragraphs B and C of this Section, provided that if the sale to purchaser is not completed within 120

days after delivery of the offer to Franchisor, or if there is a material change in the terms of the sale, Franchisor shall again have the right of first refusal.

16. RENEWAL OF FRANCHISE

A. FRANCHISEE'S RIGHT TO RENEW

If, upon expiration of the initial term of the Franchise, Franchisee has during the term of this Agreement substantially complied with all its material provisions and agrees to comply with the specifications and standards then applicable for new CORPORATE CLEANING GROUP BUSINESSES, then Franchisee has a right to renew this Agreement for up to 2 additional 5-year terms.

B. NOTICE OF RENEWAL AND NONRENEWAL

In order for Franchisee to have the right to renew this Agreement for one additional term as provided in Section 16.A., Franchisor must receive written notice from Franchisee of Franchisee's desire to exercise its right to renew at least 7 months but no more than 12 months before the expiration of the initial term. If Franchisor does not receive such written notice at least 7 months but no more than 12 months before the expiration of the initial term, this Agreement shall expire at the end of the initial term.

If Franchisor does receive such written notice at least 7 months but no more than 12 months before the expiration of the initial term, then Franchisor must determine whether Franchisee has the right to renew this Agreement under the standards set forth in this Section 16. If Franchisor determines that Franchisee does not have the right to renew this Agreement based on the standards set forth in this Section 16, Franchisor agrees to give Franchisee written notice (the "Notice of Nonrenewal") of its determination at least 120 days before the expiration of the initial term. The Notice of Nonrenewal from Franchisor shall state the reasons for Franchisor's refusal to renew this Agreement.

If the reasons cited by Franchisor in the Notice of Nonrenewal are curable and are in fact cured by Franchisee, as reasonably determined by Franchisor, within 60 days of the date of Franchisor's Notice of Nonrenewal, then the Notice of Nonrenewal will be of no further effect and Franchisee is allowed to renew for one additional term equal to the then-customary initial term granted under Franchisor's then-current standard form of franchise agreement. However, if the reasons stated in the Notice of Nonrenewal include the insolvency of Franchisee, or the occurrence of an assignment for the benefit of creditors by Franchisee or Franchisee's filing of a petition in bankruptcy, then such reasons shall be deemed to be incurable and the Notice of Nonrenewal is effective upon delivery to Franchisee.

If the reason stated in the Notice of Nonrenewal include Franchisee's nonpayment of sums due under this Agreement to Franchisor and its affiliates, then Franchisee is entitled to a written notice of default and nonpayment and Franchisee has 10 days in which to cure and rectify default by payment of all sums, including interest due, in compliance with the terms of this Agreement to Franchisor.

C. RENEWAL AGREEMENTS

As a condition precedent to the renewal of this Agreement, Franchisee (and the owners,

partners, or members of Franchisee, if Franchisee is a corporation, partnership or limited liability company) must execute the then-current standard form of Franchise Agreement and any ancillary agreements Franchisor customarily uses in the grant of franchises for the ownership and operation of CORPORATE CLEANING GROUP BUSINESSES (with appropriate modifications to reflect the fact that the agreement relates to the grant of a renewal franchise) and which may contain terms and conditions which are materially different from those in this Agreement, such as, but without limitation, changes to the Protected Area granted hereunder, increase in fees and implementation of new fees. As a further condition precedent to the renewal of this Agreement, Franchisee and its owners, partners or members must execute general releases, in form and substance satisfactory to Franchisor, releasing any and all claims against Franchisor and its affiliates, officers, directors, employees and agents. Failure by Franchisee and its owners, partners or members to sign agreement(s) and releases within 30 days after delivery to Franchisee is deemed an election by Franchisee not to renew the Franchise.

D. CONDITIONS FOR RENEWAL

In addition to the conditions and requirements stated above in this Section, any or all of the following conditions must be met by Franchisee, in Franchisor's discretion, before and at the time of renewal:

- (1) Franchisee must not be in default of any provision of this Agreement, any amendment or any other agreement between Franchisee and Franchisor or any of its affiliates; and Franchisee must have substantially and timely complied with all the terms and conditions of all agreements;
- (2) Franchisee must have satisfied all monetary obligations owed by Franchisee to Franchisor and its affiliates under this Agreement and any other agreement between Franchisee and any of its affiliates and Franchisor or any of its affiliates and must have timely met those obligations throughout the terms of those agreements;
- (3) Franchisee must present satisfactory evidence that Franchisee has the right to remain in possession of the Franchised Business office premises or obtain Franchisor's approval of a new site for the operation of the Franchised Business office;
- (4) Franchisee must have provided Franchisor with written notice of Franchisee's desire to exercise its right to renew at least at least 7 months but no more than 12 months before the expiration of the initial term;
- (5) Franchisee must pay Franchisor a renewal fee of \$5,000, payable upon execution of a new Franchise Agreement, no later than 30 days before the expiration of the then current term;
- (6) Franchisee must comply with Franchisor's then-current qualification and training requirements; and
- (7) Franchisee must have executed the then-current standard form of Franchise Agreement and any ancillary agreements or documents required by Franchisor.

E. EXPIRED AGREEMENTS

If Franchisee does not sign a new franchise agreement and initiate and comply with the renewal procedures outlined in this Section 16, prior to the expiration of this Agreement and continues to accept the benefits of this Agreement after the expiration of this Agreement, then at the option of Franchisor this Agreement may be treated either as:

(1) expired as of the date of expiration with Franchisee then operating without a franchise to do so and in violation of Franchisor's rights; or

(2) continue on a month-to-month basis (the "Interim Period") until Franchisor or Franchisee provides the other party with written notice of such party's intention to terminate the Interim Period, in which case the Interim Period will terminate 30 days after receipt of the notice to terminate the Interim Period. In the latter case, all obligations of Franchisee shall remain in full force and effect during the Interim Period as if this Agreement had not expired, and all obligations and restrictions imposed upon Franchisee on the expiration of this Agreement shall be deemed to take effect upon the termination of the Interim Period.

17. TERMINATION

Franchisee acknowledges and agrees that each of Franchisee's obligations described in this Agreement is a material and essential obligation of Franchisee; that nonperformance of any such obligations will adversely and substantially affect Franchisor and the System; and that the exercise by Franchisor of the rights and remedies set forth herein is appropriate and reasonable.

A. Franchisee shall be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee if:

(1) Franchisee shall make a general assignment for the benefit of creditors; or

(2) a petition in bankruptcy is filed under any chapter of Title 11 of the United States Code by Franchisee; or

(3) such a petition is filed against Franchisee and not opposed by Franchisee;
or

(4) 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

(5) 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

(6) proceedings for a composition with creditors under any State or Federal law should be initiated by or against Franchisee; or

(7) a final judgment remains unsatisfied or of record for 30 days or longer (unless superseded bond is filed); or

- (8) Franchisee is dissolved; or
- (9) execution is levied against Franchisee's business or property; or
- (10) a suit to foreclose any lien or mortgage against the premises or equipment of any Franchised Business operated hereunder is instituted against Franchisee and not dismissed within 30 days; or
- (11) the real or personal property of the Franchised Business operated hereunder shall be sold after levy thereupon by any sheriff, marshal or law enforcement officer.

B. Franchisee is deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted without granting Franchisee any opportunity to cure the default, effective immediately upon notice to Franchisee, upon the occurrence of any of the following events:

- (1) If Franchisee fails on three or more separate occasions within the term of this Franchise Agreement to comply with a material provision of this Agreement, whether or not failure to comply is corrected after notice is sent to Franchisee; or
- (2) If Franchisee fails to open the Franchised Business for business as a CORPORATE CLEANING GROUP BUSINESS within the period specified in this Agreement; or
- (3) If Franchisee or any of the Principals is convicted of, or enters a plea of nolo contendere to, a felony, a crime involving moral turpitude, or any other crime or offense Franchisor believes is reasonably likely to have an adverse effect on the System, the Licensed Marks, the goodwill or Franchisor's interests and Franchisee or the Principal has not disassociated himself from the day to day operation of the Franchised Business and any control within 10 days of notice by Franchisor; or
- (4) If an immediate threat or danger to public health or safety results from the construction, maintenance or operation of the Franchised Business; or
- (5) If Franchisee provides services in another franchisee's Protected Area without the express written approval of the franchisee; or
- (6) If Franchisee provides any services not authorized by Franchisor; or
- (7) If Franchisee makes any unauthorized use of the Licensed Marks; or
- (8) If Franchisee abandons or surrenders the premises of the Franchised Business or fails to actively operate the Franchised Business; or
- (9) If Franchisee has made a material representation or omission in the application for the Franchise; or
- (10) If Franchisee makes an unauthorized assignment or transfer of this Agreement, the Franchised Business or an ownership interest in the Franchisee.

C. Franchisor has the absolute right to terminate this Agreement by providing Franchisee 30 days prior written notice of the termination for a material default, said notice stating the material default constituting good cause for termination. For purposes of this Agreement a material default constituting good cause includes any default set forth below and any other material breach of this Agreement or Franchisee's failure to comply substantially with the essential and reasonable requirements imposed upon Franchisee by Franchisor. The written notice of termination shall give Franchisee 30 days in which to cure the matter giving rise to the good cause for termination. Termination shall be effective upon the expiration of the 30-day notice period and Franchisee's failure to cure the material default or Franchisee's failure to comply substantially with the essential and reasonable requirements imposed upon Franchisee by Franchisor. It shall be a material default of this Agreement if Franchisee and/or any of its owners and/or managers and/or the Franchised Business do any of the following:

(1) Fails to obtain lawful possession of an approved location for the Franchised Business as provided in this Agreement, or fails to develop the Franchised Business or open the Franchised Business for business as provided in this Agreement, or fails to satisfactorily complete the training program as provided in this Agreement; or

(2) Fails to attend any supplemental or refresher training programs required pursuant to this Agreement; or

(3) Makes any unauthorized use or disclosure of the Confidential Information or the Operations Manual; or

(4) Fails to timely pay royalty fees, or advertising contributions, or amounts due for purchases from Franchisor or its affiliates or other payments due to Franchisor or its affiliates; or

(5) Fails to timely pay amounts due to trade accounts in the operation of this business; or

(6) Fails to timely make payments on the Note, if any, more than 3 times during the term of the Note; or

(7) Violates any of the covenants contained in this Agreement; or

(8) Fails to comply with any other provision of this Agreement or any mandatory specification, standard or operating procedures prescribed by Franchisor, including any procedure or requirement set forth in the Operations Manual or any standard relating to image or customer service.

D. All obligations of Franchisee which, expressly or by their nature, survive or are intended to survive the expiration or termination of this Agreement shall continue in full force and effect subsequent to and notwithstanding its expiration or termination until they are satisfied in full or by their nature expire.

18. POST-TERMINATION AND POST-EXPIRATION COVENANTS AND LIQUIDATED DAMAGES

Franchisee hereby expressly acknowledges and agrees that Franchisee is liable to

Franchisor for loss of future royalties and other fees and the actual or anticipated damages due Franchisor pursuant to this Agreement as a result of Franchisor's termination of this Agreement for good cause and that such damages and lost royalty fees would be difficult if not impossible to calculate. Franchisee further acknowledges and agrees that, upon termination of this Agreement by Franchisor for good cause, Franchisor is entitled to and shall recover from Franchisee an amount equal to three times the royalty fees and related fees which became due to Franchisor from Franchisee in the twelve months immediately preceding the date of termination (the "Liquidated Damages Payment"). In the event Franchisee has failed to pay royalty fees in any month or payment period during the previous twelve months, the highest amount of monthly royalty fees paid in the previous twelve months by Franchisee to Franchisor will be used to determine the three years of royalties which shall be paid to Franchisor as the Liquidated Damages. Franchisee shall pay Franchisor the Liquidated Damages Payment within 15 days from the effective date of the termination of this Agreement. The parties agree that this Liquidated Damages Payment provision is an integral part of this Franchise Agreement. The parties further agree the Liquidated Damages Payment is (i) compensation for damages and is not a penalty against Franchisee; and (ii) is a reasonable estimate of the damages suffered by Franchisor upon termination of this Agreement.

A. Upon termination or expiration of this Agreement, all rights granted to Franchisee immediately terminate and Franchisee must:

- (1) immediately cease to operate the Franchised Business under this Agreement and must not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor;
- (2) immediately and permanently cease to use, in any manner whatsoever, any confidential methods, computer software, procedures and techniques associated with the System, and must immediately and permanently cease to communicate or order products from approved suppliers, must immediately and permanently cease to use the Licensed Marks and distinctive forms, slogans, signs, symbols and devices associated with the System. Franchisee must cease to use, without limitation, all signs, advertising materials, displays, stationery, forms and any other articles which display the Licensed Marks;
- (3) immediately pay to Franchisor, within 15 days after the effective date of termination or expiration (without renewal) of the franchise, royalty fees, interest due Franchisor or its affiliates on any of the foregoing. Franchisee must contemporaneously with payment furnish a complete accounting of all amounts owed to Franchisor and its affiliates;
- (4) at Franchisee's expense, immediately make modifications or alterations as are necessary to distinguish the Franchised Business office so clearly from its former appearance;
- (5) take any action required to cancel all fictitious or assumed names or equivalent registrations relating to any of the Licensed Marks;
- (6) notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use any telephone number and any regular, classified or other telephone directory listings associated with the Licensed Marks and to authorize transfer of same to or at the direction of Franchisor (see Exhibit 9). Franchisee acknowledges that as between Franchisor and Franchisee, Franchisor has the sole right to

and interest in all telephone numbers and directory listings associated with the Licensed Marks, and Franchisee authorizes Franchisor, and appoints Franchisor and any officer of Franchisor as his/her attorney-in-fact, to direct the telephone company and all listing agencies to transfer same to Franchisor or at its direction, should Franchisee fail or refuse to do so, and the telephone company and all listing agencies may accept this direction or this Agreement as conclusive of the exclusive right of Franchisor in telephone numbers and directory listings and its authority to direct their transfer;

(7) furnish to Franchisor within 30 days after the effective date of termination or expiration evidence satisfactory to Franchisor of Franchisee's compliance with the foregoing obligations;

(8) pay to Franchisor all damages, costs and expenses, including reasonable attorneys' fees incurred by Franchisor in connection with obtaining any remedy available to Franchisor for any violation of this Agreement and, after the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement;

(9) immediately deliver to Franchisor all Operations Manuals, software licensed by Franchisor, records, files, instructions, correspondence, all materials related to operating the Franchised Business, including, without limitation, agreements, invoices, customer lists and any and all other materials relating to the operation of the Franchised Business in Franchisee's possession or control and all copies (all of which are acknowledged to be Franchisor's property), and must not retain any copy or record of any of the foregoing, except Franchisee's copy of this Agreement and any correspondence between the parties and any other documents which Franchisee reasonably needs for compliance with any provision of law; and

(10) comply with the restrictions on Confidential Information contained in this Agreement and must also comply with the non-competition covenants contained in this Agreement. Any other person required to execute similar covenants pursuant to this Agreement must also comply with the covenants.

(11) Pay Franchisor liquidated damages which shall be equal to three times the royalties paid by Franchisee to Franchisor in the twelve months preceding termination.

B. Franchisor is entitled to assign any and all of its options in this Section to any other party, without the consent of Franchisee.

C. Franchisee and Franchisee's Principals specifically acknowledges that, pursuant to this Agreement, Franchisee and each of Franchisee's Principals, will receive valuable training, Trade Secrets and Confidential Information, including, without limitation, information regarding the operational, sales, inventory control, merchandising, promotional and marketing methods and techniques of Franchisor, list of approved suppliers and vendors, and additional techniques and information of Franchisor and the System which are beyond the present skills and experience of Franchisee and Franchisee's managers and employees. Franchisee and each of Franchisee's Principals acknowledge that this specialized training, Trade Secrets and Confidential Information provide a competitive advantage and will be valuable to them in the development and operation of the Franchised Business, and that gaining access to this specialized training, Trade Secrets and Confidential Information is, therefore, a primary reason why they are entering into this Agreement. In consideration for

this specialized training, Trade Secrets, Confidential Information and rights, Franchisee and each of Franchisee's Principals covenants that during the term of this Agreement and for a period of two years following the expiration or termination of this Agreement, that neither Franchisee nor any of Franchisee's Principals or any member of any of their immediate family nor any of its officers, directors, managers or employees shall, either directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership, corporation or limited liability company:

(1) divert, or attempt to divert, any business or customer of the Franchised Business, to any competitor, by direct or indirect inducement or otherwise, or to perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Licensed Marks and the System;

(2) except with respect to Franchised Businesses operated under franchise agreements with Franchisor or its affiliates, own, maintain, operate, engage in, or have any financial or beneficial interest (including any interest in any corporations, partnerships, trusts, limited liability companies, incorporated associations or joint ventures) or advise, assist, or make loans to, any competitive business ("Competitive Business"). For purposes of this Agreement, a Competitive Business is of a character and concept similar to a Corporate Cleaning Group Franchised Business providing commercial cleaning services or soliciting customers from or is providing commercial cleaning or maintenance services to churches, or schools or medical service facilities or to other businesses, and which Competitive Business is, or is intended to be, located or operated within the Protected Area granted by this Franchise Agreement or within the Protected Area of any other Franchised Business operated by either the Franchisor or by any other franchisee of Franchisor or within a radius of 25 miles of the Protected Area of any other CORPORATE CLEANING GROUP BUSINESS in operation at the time of the expiration or termination of this Agreement. Franchisee understands and agrees it is prohibited from providing any commercial cleaning or maintenance service to customers of any church, or school or medical business or other business.

The parties acknowledge and agree that each of the covenants contained in this Section are reasonable limitations as to time, geographic area and to scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interest of Franchisor. The parties agree that each of the covenants in this Section shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of any covenant in this Section is held unenforceable or unreasonable by a court or agency having valid jurisdiction in an unappealed final decision to which Franchisor is a party, Franchisee expressly agrees to be bound by any lessor covenant subsumed within the terms of that covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section.

D. All obligations of the Franchisee which expressly or by their nature survive the expiration or termination of this Agreement continue in full force and effect after its expiration or termination and until they are satisfied or expire.

19. POST-TERMINATION AND POST-NONRENEWAL

A. Upon termination of this Agreement or upon expiration of this Agreement

without renewal, Franchisee shall forthwith:

(1) cease to operate the Franchised Business and shall not thereafter, directly or indirectly represent to the public or hold itself out as a present or former Franchisee of Franchisor;

(2) immediately and permanently cease to use, by advertising or in any manner whatsoever, any confidential methods, customer lists, confidential information, procedures and techniques associated with the Franchised Business or which display the Licensed Marks or any other distinctive signs, symbols or devices associated with or belonging to Franchisor;

(3) Turn over to Franchisor the Operations Manual and all copies of all forms, contracts, records, files, customer lists, instructions, correspondence, agreements, including, without limitation, all customer contracts, and business records whether as hard copies or stored in computer hardware drives or software, and any and all other materials and business records relating to the Franchised Business operated pursuant to this Agreement; and

(4) Assign to Franchisor all telephone numbers utilized by Franchisee in the operation of the Franchised Business. Franchisee shall immediately transfer and assign any such number to Franchisor or to such person or firm as Franchisor may designate, and shall immediately execute such instruments and take such steps as in the opinion of Franchisor may be necessary or appropriate to transfer and assign each telephone number utilized by Franchisee in the operation of the Franchised Business to Franchisor.

B. Upon termination of this Agreement or upon expiration of this Agreement without renewal, if Franchisor exercises the right to replace Franchisee as Lessee under any lease for the premises of the office of the Franchised Business or under any equipment lease used in connection with the Franchised Business, then Franchisee, upon the exercise of that right by Franchisor, will be released and discharged from future rents, other lease charges under the particular lease, to the extent permitted under the terms of said lease (although not from any liability for unpaid amounts of rents or any other liability to the lessor under such lease existing upon said exercise date).

(1) Upon termination of this Agreement or upon expiration of this Agreement (without renewal or without the approved transfer to a successor franchisee), Franchisor shall have the option (which may be assignable by Franchisor in its sole discretion), exercisable by giving written notice thereof to Franchisee within sixty (60) days from the date of such expiration or termination of the Franchise, to (i) purchase from Franchisee selected tangible assets of the Franchised Business specifically including office furniture, equipment, supplies, materials, computers, hardware and software and fixtures owned by Franchisee as determined by Franchisor in its sole discretion, but specifically excluding any unamortized portion of the initial franchise fee, cash, short-term investments and accounts receivable and leasehold improvements and any tangible assets which display the Licensed Marks that must be returned to Franchisor (collectively, the "Purchased Assets") and (ii) to receive an assignment of Franchisee's lease for the premises of the office of the Franchised Business (or, if an assignment is prohibited, a sublease for the remaining term and on the same terms and condition as Franchisee's lease) and any other leased tangible assets used in connection with the operation of the Franchised Business. Franchisor has the

unrestricted right to assign this option to purchase separate and apart from the remainder of this Agreement.

C. If Franchisor exercises its option to purchase some or all of the Purchased Assets as provided above, the purchase price (the "Purchase Price") for such Purchased Assets shall be the fair market value of the Purchased Assets. "Fair market value" shall not contain any amount or factor for any trademark, service mark or other commercial symbol used in connection with the operation of the Franchised Business, or for any goodwill of the Franchised Business. Franchisee agrees that customer lists are associated with the Licensed Marks and are trade secrets of the Franchisor and Franchisee shall receive no value whatsoever for current customers, customer lists, customer contracts or for any business generated by Franchisee. Any assets purchased hereunder which do not meet quality standards of Franchisor may also be excluded from the Purchase Price or ascribed no value. The length of the remaining term of the lease or sublease for the site of the office of the Franchised Business shall be considered in determining the fair market value of the assets.

D. Fair market value shall be determined by an independent appraiser selected by Franchisor and Franchisee, and if they are unable to agree on an appraiser within 30 days after notice from Franchisor exercising the option to purchase, Franchisor and Franchisee shall each select one appraiser, who shall select a third appraiser, and the fair market value shall be deemed to be the average of the three independent appraisals. The Purchase Price shall be paid in cash, a cash equivalent, or marketable securities of equal value at the closing of the purchase, which shall take place no later than 30 days after receipt by the parties of the results of the appraisal. Franchisee shall deliver at closing all instruments transferring to Franchisor or its assignee: good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to Franchisor or its assignee), with all sales and other transfer taxes paid by Franchisee; all transferable licenses and permits of the Franchised Business; and the lease or sublease for the site. Franchisor shall have the right to set off against and reduce the Purchase Price by any and all amounts owed by Franchisee to Franchisor, and the amount of any encumbrances or liens against the assets or any obligations assumed by Franchisor.

E. If Franchisor or its assignee exercises this option to purchase, pending the closing of such purchase as herein above provided, Franchisor shall have the right to appoint a manager to maintain the operation of the Franchised Business, or to require Franchisee to close the Franchised Business during such time period without removing any assets from the site. Franchisee shall maintain in force all insurance policies required pursuant to this Agreement, until the date of closing. If the site is leased, Franchisor agrees to use reasonable efforts to effect a termination of the existing lease for the site and enter into a new lease on reasonable terms. In the event Franchisor is unable to enter into a new lease, Franchisor will indemnify and hold harmless Franchisee from any ongoing liability under the lease from the date Franchisor assumes possession of the site.

F. If Franchisor exercises the foregoing option to purchase the Purchased Assets of the Franchised Business, Franchisor has the right pending the closing of purchase to appoint a manager to maintain the operation of the Franchised Business and to ensure continuity in the transfer of the customer contracts and customer lists to Franchisor pursuant to the terms of this Agreement.

20. MEDIATION

THE PARTIES AGREE TO SUBMIT ANY CLAIM, CONTROVERSY OR DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT (AND EXHIBITS) OR THE RELATIONSHIP CREATED BY THIS AGREEMENT TO NON-BINDING MEDIATION BEFORE BRINGING A CLAIM, CONTROVERSY OR DISPUTE IN A COURT OR BEFORE ANY OTHER TRIBUNAL. THE MEDIATION IS TO BE CONDUCTED THROUGH EITHER AN INDIVIDUAL MEDIATOR OR A MEDIATOR APPOINTED BY A MEDIATION SERVICES ORGANIZATION OR BODY, EXPERIENCED IN THE MEDIATION OF DISPUTES BETWEEN FRANCHISORS AND FRANCHISEES, AGREED UPON BY THE PARTIES AND, FAILING AN AGREEMENT WITHIN A REASONABLE PERIOD OF TIME AFTER EITHER PARTY HAS NOTIFIED THE OTHER OF ITS DESIRE TO SEEK MEDIATION OF ANY CLAIM, CONTROVERSY OR DISPUTE (NOT TO EXCEED 15 DAYS), BY THE AMERICAN ARBITRATION ASSOCIATION (OR ANY SUCCESSOR ORGANIZATION) IN ACCORDANCE WITH ITS RULES GOVERNING MEDIATION, AT FRANCHISOR'S CORPORATE HEADQUARTERS IN LIVONIA, MICHIGAN. THE COSTS AND EXPENSES OF MEDIATION, INCLUDING COMPENSATION AND EXPENSES OF THE MEDIATOR (AND EXCEPT FOR THE ATTORNEYS' FEES INCURRED BY EITHER PARTY), IS TO BE SHARED BY THE PARTIES EQUALLY. IF THE PARTIES ARE UNABLE TO RESOLVE THE CLAIM, CONTROVERSY OR DISPUTE WITHIN 90 DAYS AFTER THE MEDIATOR HAS BEEN CHOSEN, THEN EITHER PARTY MAY BRING A LEGAL PROCEEDING UNDER SECTION 21.H. TO RESOLVE THE CLAIM, CONTROVERSY OR DISPUTE UNLESS THE TIME PERIOD IS EXTENDED BY WRITTEN AGREEMENT OF THE PARTIES. NOTWITHSTANDING THE FOREGOING, FRANCHISOR MAY BRING AN ACTION

(1) FOR MONIES OWED, OR (2) FOR INJUNCTIVE OR OTHER EXTRAORDINARY RELIEF, IN A COURT HAVING JURISDICTION AND IN ACCORDANCE WITH SECTION 21.H., WITHOUT FIRST SUBMITTING THAT ACTION TO MEDIATION.

21. ENFORCEMENT

A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS

Except as expressly provided to the contrary in this Agreement, each section, paragraph, term and provision of this Agreement, is considered severable and if, for any reason, any portion of this Agreement is held to be invalid, contrary to, or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency or tribunal with competent jurisdiction in a proceeding to which Franchisor is a party, that ruling shall not impair the operation of, or have any other effect upon, other portions of this Agreement as may remain otherwise intelligible, which shall continue to be given full force and effect and bind the parties to this Agreement, although any portion held to be invalid shall be deemed not to be a part of this Agreement from the date the time for appeal expires, if Franchisee is a party, otherwise upon Franchisee's receipt of a notice of non-enforcement from Franchisor.

If any applicable and binding law or rule of any jurisdiction requires a greater prior notice of the termination of this Agreement than is required in this Agreement, or the taking of some other action not required, or if under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any specification, standard or operating procedure prescribed by Franchisor is invalid or unenforceable, the prior notice and/or other action required by law or rule

shall be substituted for the comparable provisions, and Franchisor has the right, in its sole discretion, to modify the invalid or unenforceable provision, specification, standard or operating procedure to the extent required to be valid and enforceable. Franchisee agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is prescribed 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, or any specification, standard or operating procedure prescribed by Franchisor, 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 a court order. Modifications to this Agreement shall be effective only in that jurisdiction, unless Franchisor elects to give them greater applicability, and this Agreement shall be enforced as originally made and entered into in all other jurisdictions.

B. WAIVER OF OBLIGATIONS

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 under this Agreement constitutes a waiver by Franchisor to enforce any right, option, duty or power against Franchisee or as to any subsequent breach or default by Franchisee. Acceptance by Franchisor of any payments due to it subsequent to the time at which the payment is due, is not deemed to be a waiver of Franchisor of any preceding breach by Franchisee of any terms, provisions, covenants or conditions of this Agreement. Franchisor specifically is not deemed to have waived or impaired any right, power or option reserved by this Agreement (including the right to demand exact compliance with every term, condition and covenant, or to declare any breach to be a default and to terminate this Agreement before the expiration of its term) by virtue of any custom or practice of the parties at variance with the terms of this Agreement; any failure, refusal or neglect of Franchisor to exercise any right under this Agreement or to insist upon exact compliance by the Franchisee, with its obligations, including any mandatory specification, standard or operating procedure.

Neither Franchisor nor Franchisee is liable for loss or damage or deemed to be in breach of this Agreement if its failure to perform its obligations results from: (1) transportation shortages, inadequate supply of material or energy, or the voluntary foregoing of the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or municipal government or any department or agency; (2) compliance with any law, ruling, order, regulation, requirement or instruction of any federal, state, or municipal government or any department or agency; (3) acts of God; (4) fires, strikes, embargoes, war or riot; or (5) any other similar event or cause. Any delay resulting from any of causes shall extend performance accordingly or excuse performance, in whole or in part, as may be reasonable.

C. SPECIFIC PERFORMANCE; INJUNCTIVE RELIEF

Nothing bars Franchisor's right to obtain specific performance of the provisions of this Agreement and injunctive relief against threatened conduct that will cause it loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions. Franchisee agrees that Franchisor may have injunctive relief, upon due notice, in addition to further and other relief as may be available at equity or law. Franchisee has remedies as may be available at equity or law, including the dissolution of injunction if the entry of injunction is vacated.

D. RIGHTS OF PARTIES ARE CUMULATIVE

The rights of Franchisor and Franchisee under this Agreement are cumulative and no exercise or enforcement by Franchisor or Franchisee of any right or remedy precludes the exercise or enforcement by Franchisor or Franchisee of any other right or remedy which Franchisor or Franchisee is entitled by law to enforce.

E. COSTS AND ATTORNEYS' FEES

If Franchisor asserts a claim for amounts owed by Franchisee or any of its affiliates or if Franchisor prevails in any legal proceeding before a court of competent jurisdiction or in an arbitration proceeding, or if Franchisor is required to enforce this Agreement in a judicial or arbitration proceeding, then Franchisor shall be entitled to complete reimbursement of its costs and expenses incurred in investigating, initiating and concluding any judicial proceeding or arbitration or settlement, including reasonable accounting and attorneys' fees.

F. JURY TRIAL WAIVERS

Franchisor and Franchisee irrevocably each waive trial by jury in any action brought by either of them. Franchisee and Franchisor agree that any litigation, suit, action, counterclaim, cross claim or proceeding, whether at law or in equity, which arises out of, concerns, or as related to this Agreement or any of the relationships or transaction contemplated hereunder, the performance of this Agreement, the relationship between the parties or otherwise, trial shall be to a court of competent jurisdiction and not to a jury. Franchisor and Franchisee irrevocably waive any right either party may have to trial by jury.

G. GOVERNING LAW

To the extent not inconsistent with applicable law, this Agreement and the offer and sale of the Franchised Business is governed by the substantive laws (and expressly excluding the choice of law) of the State of Michigan.

H. EXCLUSIVE JURISDICTION

Franchisee and Franchisor agree that any action arising out of or relating to this Agreement (including the offer and sale of the Franchise) shall be instituted and maintained only in a state or federal court of general jurisdiction sitting in Wayne County, Michigan, and Franchisee irrevocably submits to the jurisdiction of that court and waives any objection he/she may have to either the jurisdiction or venue of the court. Franchisee and Franchisor agree that venue for any proceeding relating to or arising out of this Agreement shall be in Wayne County, Michigan; provided, however, with respect to any action (1) for monies owed, (2) for injunctive or other extraordinary relief or (3) involving possession or disposition of, or other relief relating to, real property, Franchisor may bring that action in any state or federal district court which has jurisdiction. Franchisee and Franchisor acknowledge that the agreement between the parties regarding applicable state law and forum set forth in this Agreement provides each of the parties with a mutual benefit of uniform interpretation of this Agreement and any dispute arising out of this Agreement or the parties' relationship created by this Agreement. Franchisee and Franchisor further acknowledge the receipt and sufficiency of mutual consideration for this benefit.

I. BINDING EFFECT

This Agreement is binding upon the parties of this Agreement and their respective executors, administrators, heirs, assigns and successors in interest, and shall not be modified except by written agreement signed by both Franchisee and Franchisor.

J. CONSTRUCTION; INTEGRATION

This Agreement, all exhibits to this Agreement and all ancillary agreements executed contemporaneously with this Agreement constitute the entire agreement between the parties with reference to the subject matter of this Agreement and supersede any and all prior negotiations, undertakings, representations, and agreements; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document furnished to Franchisee. Franchisee acknowledges that Franchisee is entering into this Agreement, and all ancillary agreements executed contemporaneously with this Agreement, as a result of Franchisee's independent investigation of the franchised business and not as a result of any representations about Franchisor made by Franchisor's shareholders, officers, directors, employees, agents, representatives, independent contractors, attorneys, or franchisees, which are contrary to the terms set forth in this Agreement or of any franchise disclosure document, prospectus, or other similar document required or permitted to be given to Franchisee pursuant to applicable law.

Franchisee hereby acknowledges and further represents and warrants to Franchisor that:

(1) Franchisee has received a copy of the Franchisor's Franchise Disclosure Document not later than fourteen (14) days before either the execution of this Agreement or before any payment of any consideration by Franchisee;

(2) Franchisee has placed no reliance on any oral or written statements, whether referred to as representations, warranties, inducements or otherwise, which are not contained in this Agreement or in the Franchise Disclosure Document given Franchisee by Franchisor;

(3) Franchisee has entered into this Agreement after making an independent investigation of Franchisor's operations and the System;

(4) Franchisor has not made any guarantee or provided any assurance that the Franchised Business location will be successful or profitable;

(5) Franchisee has (i) read this Agreement in its entirety and understands its contents; (ii) been given the opportunity to clarify any provisions that Franchisee did not understand and (iii) had the opportunity to consult with professional advisors regarding the operation and effect of the Agreement and the operation of the System;

(6) Franchisee has, together with its advisors, sufficient knowledge and experience in financial and business matters to make an informed decision with respect to the Franchised Business offered by Franchisor.

Except as may have been disclosed at Item 19 of Franchisor's Franchise Disclosure Document, Franchisee represents and warrants to Franchisor that no claims, representations or warranties regarding the earnings, sales, profits, success or failure of the franchised business have been made to Franchisee and no such claims, representations or warranties have induced

Franchisee to enter into this Agreement.

Except for those changes permitted to be made unilaterally by Franchisor, no amendment, change or variance from this Agreement is binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

22. WAIVER OF DAMAGES

Franchisee hereby waives, to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against Franchisor, its affiliates, and the officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees of each of them, in their corporate and individual capacities, arising out of any cause whatsoever (whether that cause is based on contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, Franchisee is limited to the recovery of any actual damages sustained by it. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions of waiver by agreement of punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) continues in full force and effect.

23. NOTICES AND PAYMENTS

All written notices and reports permitted or required to be delivered by the provisions of this Agreement or of the Operations Manual shall be deemed so delivered at the time delivered by hand, 1 business day after sending by telegraph or comparable electronic system or three business days after placed in the U.S. mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the party to be notified at its most current principal business address of which the notifying party has been notified.

All payments and reports required by this Agreement shall be directed to Franchisor at the address notified to Franchisee, or to other persons or places as Franchisor may direct. Any required payment or report not actually received by Franchisor during regular business hours on the date due or properly placed in the U.S. mail and postmarked by postal authorities at least three business days before the date due is deemed delinquent.

24. CAVEAT

The success of the business venture contemplated to be undertaken by this Franchise Agreement is speculative and depends, to a large extent, upon the ability of the Franchisee as an independent business person, and the active participation of Franchisee in the daily affairs of the business as well as other factors. Franchisor does not make any representation or warranty, express or implied, as to the potential success of the business venture contemplated hereby.

Franchisee acknowledges that it has entered into this Agreement after making an independent investigation of Franchisor's operations and not upon any representation as to gross revenue, volume, potential earnings or profits which Franchisee in particular might be expected to realize, nor has anyone made any other representation which is not expressly set forth in this Agreement, to induce the Franchisee to accept this franchise and execute this Agreement.

Franchisee represents and acknowledges that he/she has received Franchisor's Uniform

Franchise Offering Circular 10 business days before the date of the execution of this Agreement, and that a copy of this Agreement with all blanks filled was received from Franchisor at least five business days before the date of execution of this Agreement. Franchisee represents that he/she has read this Agreement in its entirety and that he/she has been given the opportunity to clarify any provisions that he/she did not understand and to consult with an attorney or other professional advisor. Franchisee further represents that he/she understands the terms, conditions and obligations of this Agreement and agrees to be bound.

[Signatures on following page]

IN WITNESS WHEREOF the parties have executed, sealed and delivered this Agreement in duplicate on the date recited in the first paragraph.

FRANCHISOR:

CORPORATE CLEANING GROUP
FRANCHISE SYSTEMS, LLC,
a Michigan limited liability company

By _____
Title _____

FRANCHISEE:

(If Franchisee is a corporation)

Name of Corporation

By _____
Title _____

(If Franchisee is an individual owner,
Franchisee must sign below; if a partnership,
all partners must sign below)

Franchisee

Franchisee

(If Franchisee is a Limited Liability Company)

Name of Limited Liability Company

By: _____
Title _____

EXHIBIT 1

**PROTECTED AREA; TIME FOR OPENING
AND LOCATION OF OFFICE**

Dated: _____, 20_____

1. Protected Area. The parties to this Agreement agree that the Franchised Business to be operated by Franchisee pursuant to this Agreement shall be located in the following geographical area and that the business office shall be located at the following premises within that geographical area (The following description may reference a map or maps, which may be attached, depicting the Protected Area):

2. Franchised Business Opening. Franchisee agrees to complete the development and open the Franchised Business within 60 days after the date of this Exhibit 1.

3. Defined Terms. All capitalized or initial capitalized terms contained in this Exhibit and not defined in this Exhibit have the same meaning as ascribed to them in this Agreement.

FRANCHISOR:

CORPORATE CLEANING GROUP
FRANCHISE SYSTEMS, LLC,
a Michigan limited liability company

FRANCHISEE:

(If Franchisee is a corporation)

Name of Corporation

By _____
Title _____

By _____
Title _____

(If Franchisee is an individual owner, Franchisee must sign below; if a partnership, all partners must sign below)

Franchisee

Franchisee

Franchisee

(If Franchisee is a Limited Liability Company)

Name of Limited Liability Company

By: _____

EXHIBIT 2

STATEMENT OF OWNERSHIP INTEREST AND PRINCIPALS

- A. The following is a list of shareholders, partners, member, or other investors in Franchisee, including all investors who own or hold a direct or indirect interest in Franchisee, and a description of the nature of their interest:

<u>Name</u>	<u>Percentage of Ownership/Nature of Interest</u>
-------------	---

- B. The following is a list of all Principals described in and designated pursuant to this Agreement.

EXHIBIT 3

**CONFIDENTIALITY AGREEMENT AND
ANCILLARY COVENANTS NOT TO COMPETE**

This Agreement is made and entered into this _____ day of _____, 20___, between CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC., a Michigan limited liability company (“Franchisor”), (“Franchisee”), and _____ (“Covenantor”).

RECITALS

WHEREAS, Franchisor has obtained the right to develop a unique system (the “System”) for the development and operation of CORPORATE CLEANING GROUP BUSINESS under the name and marks CORPORATE CLEANING GROUP® (“_____”); and

WHEREAS, the System includes, but is not limited to, certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including, but not limited to, the marks CORPORATE CLEANING GROUP® FRANCHISED BUSINESS and other trade names, service marks, trademarks, logos, insignia, slogans, emblems, designs and commercial symbols as Franchisor may develop in the future to identify for the public the source of services and products marketed under the marks and under the System and representing the System’s high standards of quality, appearance and service and distinctive merchandising, interior design, decor color scheme and furnishings, uniform standards, specifications and procedures for inventory, merchandising, management and financial control; operations; quality and uniformity of products offered; procedures for management and financial control; training and assistance; and advertising and promotional programs; all of which Franchisor may change, improve and further develop and which Franchisor uses in connection with the operation of the System (“Trade Secrets”); and

WHEREAS, the Licensed Marks and Trade Secrets provide economic advantages to Franchisor and are not generally known to, and are not readily ascertainable by proper means, by, Franchisor’s competitors who could obtain economic value from knowledge and use of the Trade Secrets; and

WHEREAS, Franchisor has taken and intends to take all reasonable steps to maintain the confidentiality and secrecy of the Trade Secrets; and

WHEREAS, Franchisor has granted Franchisee the limited right to develop a CORPORATE CLEANING GROUP BUSINESS using the System, the Licensed Marks and the Trade Secrets, pursuant to a Franchise Agreement entered into on _____, 20 (“Franchise Agreement”), by and between Franchisor and Franchisee; and

WHEREAS, Franchisor and Franchisee have agreed in the Franchise Agreement on the importance to Franchisor and to Franchisee and other licensed users of the System of restricting the use, access and dissemination of the Trade Secrets; and

WHEREAS, it is necessary for certain employees, agents, independent contractors, officers, directors and equity interest holders of Franchisee, or any entity having an interest in

Franchisee (“Covenantor”) to have access to and to use some or all of the Trade Secrets in the management and operation of Franchisee’s CORPORATE CLEANING GROUP BUSINESS using the System; and

WHEREAS, Franchisee has agreed to obtain from those covenantors written agreements protecting the Trade Secrets and the System against unfair competition; and

WHEREAS, Covenantor wishes to remain, or wishes to become associated with or employed by Franchisee; and

WHEREAS, Covenantor wishes and needs to receive and use the Trade Secrets in the course of its employment or association in order to effectively perform the services for Franchisee; and

WHEREAS, Covenantor acknowledges that receipt of and the right to use the Trade Secrets constitutes independent valuable consideration for the representations, promises and covenants made by Covenantor.

NOW, THEREFORE, in consideration of the mutual covenant and obligations contained in this Agreement, the parties agree as follows:

Confidentiality Agreement

1. Franchisor and/or Franchisee shall disclose to Covenantor some or all of the Trade Secrets relating to the System. All information and materials, including, without limitation, manuals, drawings, specifications, techniques and compilations of data which Franchisor provides to Franchisee and/or Covenantor are deemed confidential Trade Secrets for the purposes of this Agreement.

2. Covenantor shall receive the Trade Secrets in confidence and must, at all times, maintain them in confidence, and use them only in the course of its employment or association with a Franchisee and then only in connection with the development and/or operation by Franchisee of a CORPORATE CLEANING GROUP BUSINESS for so long as Franchisee is licensed by Franchisor to use the System.

3. Covenantor shall not at any time make copies of any documents or compilations containing some or all of the Trade Secrets without Franchisor’s express written permission.

4. Covenantor shall not at any time disclose or permit the disclosure of the Trade Secrets except to other employees of Franchisee and only to the limited extent necessary to train or assist other employees of Franchisee in the development or operation of a CORPORATE CLEANING GROUP BUSINESS.

5. Covenantor must surrender any material containing some or all of the Trade Secrets to Franchisee or Franchisor, upon request, or upon termination of employment by Franchisee, or upon conclusion of the use for which the information or material may have been furnished to Covenantor.

6. Covenantor shall not at any time, directly or indirectly, do any act that would or would likely be injurious or prejudicial to the goodwill associated with the Trade Secrets and the System.

7. Franchisor loans all manuals to Franchisee for limited purposes only and they remain the property of Franchisor and may not be reproduced, in whole or in part, without Franchisor's written consent.

Covenants Not to Compete

1. In order to protect the goodwill and unique qualities of the System and the confidentiality and value of the Trade Secrets, and in consideration for the disclosure to Covenantor of the Trade Secrets, Covenantor further agrees and covenants as follows:

a. Not to divert, or attempt to divert, directly or indirectly, any business, business opportunity, or customer of the Agencies to any competitor; and

b. Except with prior written consent of Franchisor, not to employ, or seek to employ, any person who is at the time or was within the preceding 90 days employed by Franchisor, any of its affiliates or any franchisee of Franchisor, or otherwise directly or indirectly induce such person to leave that person's employment except as may occur in connection with Franchisee's employment of that person if permitted under the Franchise Agreement.

c. Except with respect to CORPORATE CLEANING GROUP BUSINESSES not to directly or indirectly, for himself or through, on behalf of, or in conjunction with any person, partnership or corporation, without the prior written consent of Franchisor, own, maintain, operate, engage in, or have any financial or beneficial interest in (including any interest in corporations, partnerships, trusts, unincorporated associations or joint ventures) become employed, advise, assist or make loans to, any business that is of a character and concept similar to the CORPORATE CLEANING GROUP BUSINESS. As used in this Agreement, the term "similar" means a business which looks like, copies, imitates, or operates in a manner similar to a CORPORATE CLEANING GROUP BUSINESS, and which business is located, or is intended to be located, within the Protected Area granted Franchisee by the Franchise Agreement, within the Protected Area granted other Franchisees pursuant to Franchise Agreements, or within a 25 mile radius of the location of any CORPORATE CLEANING GROUP BUSINESS in existence or under construction, whether owned by Franchisor or its affiliates or by a franchisee or where land has been purchased or a lease has been executed by Franchisor, its affiliate or any franchisee of Franchisor.

2. In further consideration for the disclosure to Covenantor of the Trade Secrets and to protect the uniqueness of the System, Covenantor agrees and covenants that for two years following the earlier of the expiration, termination or transfer of all Franchisee's interest in the Franchise Agreement or the termination of its association with or employment by Franchisee, Covenantor will not without the prior written consent of Franchisor:

a. Divert or attempt to divert, directly or indirectly, any business, business opportunity or customer of the Agencies to any competitor;

b. Employ, or seek to employ, any person who is at the time or was within the preceding 90 days employed by Franchisor, any of its affiliates or any franchisee of franchisor, or otherwise directly or indirectly induce such persons to leave that person's employment; or

c. Except with respect to CORPORATE CLEANING GROUP BUSINESSES not to directly or indirectly, for himself or through, on behalf of, or in conjunction with any person, partnership or corporation, without the prior written consent of Franchisor, own, maintain, operate, engage in, or have any financial or beneficial interest in (including any interest in corporations, partnerships, trusts, unincorporated associations or joint ventures) become employed, advise, assist or make loans to, any business that is of a character and concept similar to the CORPORATE CLEANING GROUP BUSINESS. As used in this Agreement, the term "similar" means a business which looks like, copies, imitates, or operates in a manner similar to a CORPORATE CLEANING GROUP BUSINESS and which business is located, or is intended to be located, within the Protected Area granted Franchisee by the Franchise Agreement, within the Protected Area granted other Franchisees pursuant to Franchise Agreements, or within a 25 mile radius of the location of any CORPORATE CLEANING GROUP BUSINESS in existence or under construction, whether owned by Franchisor or its affiliates or by a franchisee or where land has been purchased or a lease has been executed by Franchisor, its affiliate or any franchisee of Franchisor.

Miscellaneous

1. Franchisee shall make all commercially reasonable efforts to ensure that Covenantor acts as required by this Agreement.

2. Covenantor agrees that in the event of a breach of this Agreement, Franchisor would be irreparably injured and be without an adequate remedy at law. Therefore, in the event of a breach, or threatened or attempted breach of any of the provisions, Franchisor is entitled to enforce the provisions of this Agreement and is entitled, in addition to any other remedies available to it at law or in equity, including the right to terminate the Franchise Agreement, to a temporary and/or permanent injunction and a decree for the specific performance of the terms of this Agreement, without the necessity of showing actual or threatened harm and without being required to furnish a bond or other security.

3. Covenantor agrees to pay all expenses (including court costs and reasonable attorneys' fees) incurred by Franchisor and Franchisee in enforcing this Agreement.

4. Any failure by Franchisor to object to or take action with respect to any breach of this Agreement by Covenantor shall not operate or be construed as a waiver of or consent to that breach or any subsequent breach by Covenantor.

5. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF MICHIGAN. COVENANTOR HEREBY IRREVOCABLY SUBMITS HIMSELF TO THE JURISDICTION OF THE STATE COURTS OF WAYNE COUNTY, MICHIGAN AND THE FEDERAL DISTRICT COURT IN WAYNE COUNTY, MICHIGAN. COVENANTOR HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. COVENANTOR HEREBY AGREES

THAT SERVICE OF PROCESS MAY BE MADE UPON HIM IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY MICHIGAN OR FEDERAL LAW. COVENANTOR FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE IN NEBRASKA; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, FRANCHISOR OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE WHICH HAS JURISDICTION.

6. The parties acknowledge and agree that each of the covenants contained in this Agreement are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of Franchisor. 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 a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which Franchisor is a part, Covenantor expressly agrees to be bound by any lesser covenant subsumed within the terms of the covenant that imposes the maximum duty permitted by law as if the resulting covenant were separately stated in and made a part of this Agreement.

7. This Agreement contains the entire agreement of the parties regarding the subject matter of this Agreement. This Agreement may be modified only by a duly authorized writing executed by all parties.

8. All notices and demands required to be given must be in writing and sent by personal delivery, expedited delivery service, certified or registered mail, return receipt requested, first-class postage prepaid, facsimile, telegram or telex (provided that the sender confirms the facsimile, telegram or telex by sending an original confirmation copy by certified or registered mail or expedited delivery service within three business days after transmission), to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other parties.

If directed to Franchisor, the notice shall be addressed to:

Corporate Cleaning Group Franchise Systems, LLC
39201 Schoolcraft Road, Ste B12
Livonia, MI 48150
ATTN: Leonard M. Yakuber

with a copy to:

Jen J. Augustine
PH Business Law Advisors
8700 Monrovia, Ste. 310
Lenexa, KS 66215

If directed to Franchisee, the notice shall be addressed to:

Attention: _____

If directed to Covenantor, the notice shall be addressed to:

Attention: _____

Any notices sent by personal delivery shall be deemed given upon receipt. Any notices given by telex or facsimile shall be deemed given upon transmission, provided confirmation is made as provided above. Any notice sent by expedited delivery service or registered or certified mail shall be deemed given three business days after the time of mailing. Any change in the foregoing addresses shall be effected by giving 15 days written notice of such change to the other parties. Business day for the purpose of this Agreement excludes Saturday, Sunday and the following national holidays: New Year's Day, Martin Luther King Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving and Christmas.

9. The rights and remedies of Franchisor under this Agreement are fully assignable and transferable and inure to the benefit of its respective affiliates, successor and assigns. The respective obligations of Franchisee and Covenantor hereunder may not be assigned by Franchisee or Covenantor without the prior written consent of Franchisor.

IN WITNESS WHEREOF, the undersigned have entered into this Agreement as witnessed by their signatures below.

FRANCHISOR:

CORPORATE CLEANING GROUP
FRANCHISE SYSTEMS, LLC, a
Michigan limited liability company

FRANCHISEE:

(If Franchisee is a corporation)

Name of Corporation

By: _____
Title: _____

By: _____
Title: _____

(If Franchisee is an individual owner, Franchisee must sign below; if a partnership, all partners must sign below)

Franchisee

Franchisee

Franchisee

Franchisee

(If Franchisee is a Limited Liability Company)

Name of Limited Liability Company

By: _____

Title: _____

Covenantor

EXHIBIT 4

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this _____ day of _____, 20____, by _____

_____ (“Guarantor”).

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement of even date (the “Agreement”) by CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC (the “Franchisor”), and with _____, formed and operating under the laws of the State of _____, or _____ a(n) individual(s), (“Franchisee”) each of the undersigned hereby personally and unconditionally (a) guarantees to Franchisor, and its successor and assigns, for the term of the Agreement and as provided in the Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities including, without limitation, the provisions of Sections 6, 7, 8, 9, 18, 19, 20 and 21. Each of the undersigned waives: (1) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed; (4) any right he/she may have to require that an action be brought against Franchisee or any other person as a condition of liability.

Each of the undersigned consents and agrees that: (1) his/her direct and immediate liability under this guaranty shall be joint and several; (2) he/she shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and (4) liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may grant to Franchisee or to any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the term of this Agreement.

Guarantor hereby consents and agrees that:

(1) Guarantor’s liability under this undertaking shall be direct, immediate, and independent of the liability of, and shall be joint and several with, Franchisee and the other owners of Franchisee;

(2) Guarantor shall render any payment or performance required under this Agreement upon demand if Franchisee fails or refuses punctually to do so;

(3) This undertaking will continue unchanged by the occurrence of any bankruptcy with respect to Franchisee or any assignee or successor of Franchisee or by any abandonment of this Agreement by a trustee of Franchisee. Neither the Guarantor's obligations to make payment or render performance in accordance with the terms of this undertaking nor any remedy for enforcement shall be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Franchisee or its estate in bankruptcy or of any remedy for enforcement, resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency;

(4) Franchisor may proceed against Guarantor and Franchisee jointly and severally, or Franchisor may, at its option, proceed against Guarantor, without having commenced any action, or having obtained any judgment against Franchisee. Guarantor hereby waives the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness or the performance of any obligation hereby guaranteed; and

(5) Guarantor agrees to pay all reasonable attorneys' fees and all costs and other expenses incurred in any collection or attempt collection of amounts due pursuant to this undertaking or any negotiations relative to the obligations hereby guaranteed or in enforcing this undertaking against Guarantor.

IN WITNESS WHEREOF, each of the undersigned has affixed his/her signature on the same day and year as the Agreement was executed.

GUARANTOR(S)

PERCENTAGE OWNERSHIP
IN FRANCHISEE

EXHIBIT 5

INITIAL FRANCHISE FEE

Franchisee: _____

Date of Agreement: _____

The initial franchise fee for this Unit shall be:

1st Unit: \$49,000 _____

2nd Unit: \$40,000 _____

3rd Unit: \$35,000 _____

4th Unit: \$30,000 _____

The initial franchise fee is fully earned when paid and is not refundable under any circumstance.

EXHIBIT 6

**ADDENDUM TO CORPORATE CLEANING GROUP FRANCHISE AGREEMENT
FOR VETERAN’S DISCOUNT**

THIS ADDENDUM (“Addendum) is made and entered into on _____, 20_, by and between Corporate Cleaning Group Franchise Systems, LLC, a Michigan limited liability company (“Franchisor”), and _____ (“Franchisee.)

Franchisor and Franchisee entered into a Franchise Agreement on _____20_, (such Agreement, together with any amendments, the “Franchise Agreement”) for Franchisee to operate a Franchised Business. Franchisee, in consideration of service in the U.S. Armed Forces by _____, is eligible to receive a veteran’s discount on the monthly royalty fee due under the Franchise Agreement for a certain time as follows:

For the first 6 months of operations of this Franchised Business, Franchisee shall pay Franchisor **0%** of Gross Revenue invoiced from the operation of the Franchised Business for all services provided by the Franchised Business.

For months 7-12 of operations of this Franchised Business, Franchisee shall pay Franchisor **2.75%** of Gross Revenue invoiced from the operation of the Franchised Business for all services provided by the Franchised **or \$250** per month, whichever is greater.

Beginning with month 13 of operations of the Franchised Business, Franchisee shall pay Franchisor a monthly royalty fee equal to **5.5%** of Gross Revenue invoiced from the operation of the Franchised Business for all services provided by the Franchised Business **or \$500** per month minimum, whichever is greater.

The Franchise Agreement shall in all other respects, unless otherwise modified in writing signed by the parties, remains in full effect.

FRANCHISOR:
CORPORATE CLEANING GROUP
FRANCHISE SYSTEMS, LLC, a
Michigan limited liability company

FRANCHISEE:
(If Franchisee is a corporation)

Name of Corporation

By: _____
Title: _____

By: _____
Title: _____

(If Franchisee is an individual owner,
Franchisee must sign below; if a partnership,
all partners must sign below)

(If Franchisee is a Limited Liability Company)

Name of Limited Liability Company

By: _____

Title: _____

EXHIBIT 7

ELECTRONIC FUND TRANSFER AUTHORIZATION

Authorization Agreement for Direct Payments to Corporate Cleaning Group Franchise Systems, LLC

- (1) Franchisee Name: _____ ("Franchisee")
- (2) Franchised Business No. _____
- (3) Employer Identification Number (EIN) or Social Security Number: _____
- (4) Business Address: _____

Business Mailing Address: _____
(if different from Business Address)
- (5) Work Phone: (_____) _____

Franchisee hereby authorizes Corporate Cleaning Group Franchise Systems, LLC to initiate debit entries to Franchisee's _____
(Checking / Savings)

Account indicated below at the depository financial institution named below, hereinafter called "BANK", to allow payment to Corporate Cleaning Group Franchise Systems, LLC for monthly royalty fees and any payments on any promissory note made to Corporate Cleaning Group Franchise Systems, LLC or its assignee. Franchisee hereby authorizes BANK to honor, execute and charge Franchisee's account for any such debit entries. Franchisee acknowledges that the origination of the transactions from Franchisee's account must comply with the provisions of U.S. Law.

- (6) BANK's Name: _____
Branch: _____
City: _____ State: _____ Zip: _____
- (7) Routing Number: _____ (8) Account Number: _____
(Please attach a voided check to assure accuracy)
- (9) Day of Debit: 10th day of each month

This authorization is to remain in full force and effect until Corporate Cleaning Group Franchise Systems, LLC has received written notification from Franchisee of its termination in such time and in such manner as to afford Corporate Cleaning Group Franchise Systems, LLC and BANK a reasonable opportunity to act.

Signature: _____ Date: _____
Authorized Representative of Franchisee

Signature: _____ Date: _____
Authorized Representative of Franchisor

EXHIBIT 8

POWER OF ATTORNEY - TELEPHONE

STATE OF _____)

COUNTY OF _____)

KNOW ALL MEN BY THESE PRESENTS

That _____ (“Franchisee”) irrevocably constitutes and appoints Corporate Cleaning Group Franchise Systems, LLC, a Michigan limited liability c (“Franchisor”), true and lawful attorney-in-fact and agent for Franchisee and in Franchisee’s name, place and stead, to do or cause to be done all things and to sign, execute, acknowledge, certify, deliver, accept, record and file all agreements, certificates, instruments and documents as, in the sole discretion of Franchisor, is necessary or advisable for the sole purpose of assigning to Franchisor all of Franchisee’s right, title and interest in and to any and all telephone numbers of Franchisee’s franchise and all related Yellow Pages, White Pages and other business listings including, but not limited to, the execution and delivery of any Transfer of Service Agreement and any other transfer documentation required by the applicable telephone service company providing telephone services to Franchisee, and grants to Franchisor full power and authority to do and perform all acts and things which, in the sole discretion of Franchisor, are necessary or advisable to be done as fully to all intents and purposes as Franchisee might or could itself do, ratifying and confirming all that Franchisor may lawfully do or cause to be done by virtue of this Power of Attorney and powers granted.

During the term of this Power of Attorney and regardless of whether Franchisee has designated any other person to act as its attorney-in-fact and agent, no person, firm or corporation dealing with Franchisor is required to ascertain the authority of Franchisor, nor to see to the performance of the agency, nor be responsible in any way for the proper application of funds or property paid or delivered to Franchisor. Any person, firm or corporation dealing with Franchisor is fully protected in acting and relying on a certificate of Franchisor that this Power of Attorney on the date of the certificate has not been revoked and is in full force and effect, and Franchisee must not take any action against any person, firm or corporation acting in reliance on a certificate or a copy of this Power of Attorney. Any document executed on behalf of Franchisee by Franchisor is deemed to include a certificate on the part of Franchisor, whether or not expressed. This paragraph shall survive any termination of this Power of Attorney.

This Power of Attorney terminates two years following the expiration or termination of the Franchise Agreement dated _____ by and between Franchisor and Franchisee. The termination, however, does not affect the validity of any act or deed that Franchisor may have effected before that date pursuant to the power granted.

This instrument is to be construed and interpreted as an irrevocable power of attorney coupled with an interest. It is executed and delivered in the state of Michigan and the laws of the State of Michigan govern all questions as to the validity of this Power of Attorney and the construction of its provisions.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney as of _____, 20____.

FRANCHISOR:

CORPORATE CLEANING GROUP
FRANCHISE SYSTEMS, LLC,
a Michigan limited liability company

By _____
Title _____

FRANCHISEE:

(If Franchisee is a corporation)

Name of Corporation

By _____
Title _____

(If Franchisee is an individual owner,
Franchisee must sign below; if a partnership,
all partners must sign below)

Franchisee

Franchisee

Franchisee

(If Franchisee is a Limited Liability
Company)

Name of Limited Liability Company

By: _____
Title _____

EXHIBIT 9

ADDENDUM TO CORPORATE CLEANING GROUP FRANCHISE AGREEMENT FOR THE UNITED STATES SMALL BUSINESS ADMINISTRATION

THIS ADDENDUM (“Addendum) is made and entered into on _____, 2__, by and between Corporate Cleaning Group Franchise Systems, LLC, a Michigan limited liability company (“Franchisor”), located at 39201 Schoolcraft Road, Suite B5, Livonia, MI 48150, and _____ (“Franchisee”), located at _____.

Franchisor and Franchisee entered into a Franchise Agreement on _____20__, (such Agreement, together with any amendments, the “Franchise Agreement”). Franchisee is applying for financing(s) from a lender in which funding is provided with the assistance of the U.S. Small Business Administration (“SBA”). SBA requires the execution of this Addendum as a condition for obtaining SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties agree that notwithstanding any other terms in the Franchise Agreement:

CHANGE OF OWNERSHIP

- If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If the Franchisor’s consent is required for a transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the (Enter type of) interest or any portion thereof, the transferor will not be liable for the actions of the transferee Franchisee.

FORCED SALE OF ASSETS

- If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchisee location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the (enter type of) term (excluding additional renewals for fair market value).

COVENANTS

- If the Franchisee owns the real estate where the franchise location is operating, Franchisor has not and will not during the term of the Franchise Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions. If any such restrictions are currently recorded against the Franchisee’s real estate, they must be removed in order for the Franchisee to obtain SBA-assisted financing.

EMPLOYMENT

- Franchisor will not directly control (hire, fire or schedule) Franchisee’s employees. For temporary personnel franchises, the temporary employees will be employed by the Franchisee not the Franchisor.

As to the referenced Franchise Agreement, this Addendum automatically terminates when SBA no longer has any interest in any SBA-assisted financing provided to the Franchisee.

Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

Franchisor and Franchisee acknowledge that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal prosecution under 18 U.S. C. 1001 and other provisions, including liability for treble damages under the False Claims Act, 31 U.S. C. §§ 3729 - 3733.

Authorized Representative of Franchisor Corporate Cleaning Group Franchise Systems, LLC

By: _____

Print Name: _____

Title: _____

Authorized Representative of Franchisee _____

By: _____

Print Name: _____

Title: _____

Note to Parties: This Addendum only addresses “affiliation” between the Franchisor and Franchisee. Additionally, the applicant franchisee and the franchise systems must meet all SBA eligibility requirements.

EXHIBIT C

STATE ADMINISTRATORS

EXHIBIT C

STATE ADMINISTRATORS

STATE	STATE ADMINISTRATOR	ADDRESS
California	California Department of Corporations	71 Stevenson Street, Ste. 2100 San Francisco ,CA 94191-2980
Hawaii	State of Hawaii Securities Compliance Branch Dept. of Commerce and Consumer Affairs	335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Franchise Division Office of the Attorney General	500 South Second Street Springfield, IL 62706
Indiana	Securities Commissioner Indiana Securities Division	302 West Washington Street Room E111 Indianapolis, IN 46204
Maryland	Office of the Attorney General Securities Division	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit	525 W. Ottawa St. GSat Mennen Williams Building Lansing, MI 48909
Minnesota	Minnesota Department of Commerce	85 7 th Place East, Suite 500 St. Paul, MN 55101-2198
New York	New York State Department of Law Bureau of Investor Protection and Securities	120 Broadway, 23rd Floor New York City, NY 10271
North Dakota	North Dakota Securities Department	600 East Boulevard Fifth Floor Bismarck, ND 58505
Rhode Island	Rhode Island Department of Business Regulation Securities Division	1511 Pontiac Ave John H. Pasotre Complex – Building 69-1 Providence, RI 02920
South Dakota	Department of Labor and Regulation Division of Securities	445 E. Capitol Ave. Pierre, SD 57501
Texas	Secretary of State Statutory Documents Section	P.O. Box 12887 Austin, TX 78711-2887
Virginia	Virginia State Corporation Commission Division of Securities and Retail Franchising	1300 East Main Street, 9th Floor Richmond, VA 23219
Washington	Department of Financial Institutions Securities Division	150 Israel Rd. S.W. Tumwater, WA 98501
Wisconsin	Department of Financial Institutions Securities Division	345 W. Washington, 4th Floor Madison, WI 55103

EXHIBIT D

AGENTS FOR SERVICE OF PROCESS

EXHIBIT D

AGENTS FOR SERVICE OF PROCESS

CCGFS authorizes the following, to accept service of process on behalf of CCGFS in the respective states:

STATE	AGENT	ADDRESS
California	Commissioner of Corporations Department of Business Oversight	320 West 4 th Street, Suite 750 Los Angeles, CA 90013-1105
Hawaii	State of Hawaii Securities Compliance Branch Dept. of Commerce and Consumer Affairs	335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62706
Indiana	Indiana Secretary of State	201 State House 200 West Washington St. Indianapolis, IN 46204
Maryland	Maryland Securities Commissioner	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Department of Commerce Corporations and Securities Bureau	525 West Ottawa 670 Law Building Lansing, MI 48913
Minnesota	Commissioner of Commerce	85 7 th Place East, Suite 280 St. Paul, MN 55101-2198
New York	Secretary of State of the State of New York	41 State Street Albany, NY 12231-0001
North Dakota	Securities Commissioner	600 East Boulevard Fifth Floor Bismarck, ND 58505
Rhode Island	Director of the Department of Business Regulation	233 Richmond Street, Suite 232 Providence, RI 02903-4232
South Dakota	Director of South Dakota Division of Securities	445 E. Capital Ave Pierre, SD 57501
Virginia	Clerk of the State Corporation Commission	1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Department of Financial Institutions	150 Israel Rd. S.W. Tumwater, WA 98501
Wisconsin	Wisconsin Dept. of Financial Institutions Commissioner of Securities	Department of Financial Institutions Division of Securities 345 W. Washington Ave., 4th Floor Madison, WI 53701

EXHIBIT E

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Each Corporate Cleaning Group® office is independently owned and operated. Compliance with federal, state and local laws is each franchise owner's responsibility. 4

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Each Corporate Cleaning Group® office is independently owned and operated. Compliance with federal, state and local laws is each franchise owner's responsibility.

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Each Corporate Cleaning Group® office is independently owned and operated. Compliance with federal, state and local laws is each franchise owner's responsibility.

EXHIBIT F

DISCLOSURE ACKNOWLEDGEMENT AGREEMENT

EXHIBIT F

DISCLOSURE ACKNOWLEDGEMENT AGREEMENT

CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC (“CCGFS”), through the use of this document, desires to confirm that [Name of Franchisee] (“You”) fully understand and comprehend that the purchase of a CORPORATE CLEANING GROUP franchise is a business decision, complete with its associated risks, and that it is the company policy of CCGFS to verify that you have received certain required documents and that you are not relying upon any unauthorized statements, representations, promises or assurances by any CCGFS representative in the purchase of the franchise.

1. You recognize and understand that business risks, which exist in the purchase of any business, make the success or failure of the franchise subject to many variables, including your skills and abilities, the hours you work, competition, interest rates, the economy, inflation, labor costs, lease terms, and your marketing and management skills. You acknowledge your willingness to undertake these business risks.

2. You acknowledge receipt of the following documents: (a) CORPORATE CLEANING GROUP Franchise Disclosure Document, (b) CORPORATE CLEANING GROUP Franchise Agreement, and (c) audited financials of CCGFS. You acknowledge and agree that you have personally and carefully reviewed each document and have been advised to (i) seek professional assistance, (ii) have professionals review these documents, and (iii) consult with your professional advisors regarding the risks associated with the purchase of a CORPORATE CLEANING GROUP franchise.

3. You acknowledge and agree that you were in receipt of the CORPORATE CLEANING GROUP Franchise Disclosure Document at least fourteen (14) days prior to signing the Franchise Agreement or paying the initial franchise fee.

4. You acknowledge and agree that you were in receipt of the CORPORATE CLEANING GROUP Franchise Agreement containing all material terms at least seven (7) days prior to signing the Franchise Agreement.

5. Except as set forth at Item 19 of the CORPORATE CLEANING GROUP Franchise Disclosure Document, you acknowledge and agree that you have not received, and that your decision to purchase a franchise is not otherwise predicated upon, either (a) any oral or written representations, assurances, warranties, guarantees or promises made by CCGFS or any of its employees or other representatives as to the likelihood of success of the franchise or (b) any information concerning actual, average, projected or forecasted sales, profits or earnings.

If you believe that you have not received any of the above, please describe these in the space provided below or write “None.”

Acknowledged and accepted this day of , 20 .

FRANCHISEE: _____

EXHIBIT G

ELECTRONIC FUNDS TRANSFER AUTHORIZATION

EXHIBIT G

ELECTRONIC FUNDS TRANSFER AUTHORIZATION

Authorization Agreement for Direct Payments to CORPORATE CLEANING GROUP

(1) Franchisee Name: _____ (“Franchisee”) (2) Business Number: _____

(3) Employer Identification Number (EIN) or Social Security Number: _____

(4) Business Address: _____

Business Mailing Address: _____
(if different from Business Address)

(5) Work Phone: (____) _____

Franchisee hereby authorizes CORPORATE CLEANING GROUP FRANCHISE SYSTEMS, LLC (“CORPORATE CLEANING GROUP”) to initiate debit entries to Franchisee’s

_____ Account indicated below at the depository
(checking/savings)

financial institution named below, hereinafter called “BANK”, to allow payment to CORPORATE CLEANING GROUP for monthly royalty fees and any payments on any promissory note made to Corporate Cleaning Group Franchise Systems, LLC or its assignee. Franchisee hereby authorizes BANK to honor, execute and charge Franchisee’s account for any such debit entries. Franchisee acknowledges that the origination of the transactions from Franchisee’s account must comply with the provisions of U.S.Law.

(6) BANK’s Name: _____

Branch: _____

City: _____ State: _____ Zip: _____

(7) Routing Number: _____ (8) Account Number: _____

(Please attach a voided check to assure accuracy)

(9) Day of Debit: 10th day of each month

This authorization is to remain in full force and effect until CORPORATE CLEANING GROUP has received written notification from Franchisee of its termination in such time and in such manner as to afford CORPORATE CLEANING GROUP and Bank a reasonable opportunity to act.

Signature: _____ Date: _____
Authorized Representative of Franchisee

Signature: _____ Date: _____
Authorized Representative of Franchisor

EXHIBIT H

GENERAL RELEASE

EXHIBIT H

GENERAL RELEASE

[For Renewal of Franchise]

This Release (the "Release") is made and entered into this _____ day of _____, 20____, by and between Corporate Cleaning Group Franchise Systems, LLC, a Michigan limited liability company, (hereinafter referred to as "CCGFS"), and _____, a **[insert jurisdiction of incorporation or organization] [corporation/limited liability company]** ("Franchisee") and **[names of shareholders or members]** ("Guarantors").

WITNESSETH:

WHEREAS, CCGFS and Franchisee are parties to a CORPORATE CLEANING GROUP Franchise Agreement dated _____ (the "Franchise Agreement") granting Franchisee the exclusive right to open a CORPORATE CLEANING GROUP franchise ("Franchise Business") under said Franchise Agreement within an area described in Exhibit A to the Franchise Agreement; and

WHEREAS, Guarantors are the sole **[shareholders/members]** of Franchisee; and

WHEREAS, Guarantors personally guaranteed the obligations of Franchisee under the Franchise Agreement; and

WHEREAS, Franchisee and Franchisor desire to renew the term of the Franchise Agreement.

WHEREAS, Franchisee and Guarantors desire to release CCGFS from certain obligations, claims, rights and privileges which may have accrued or been established by CCGFS, Franchisee, and Guarantors as a result of said Franchise Agreement and the Guaranty and Assumption of Obligations Agreement and relative to the renewal of the terms of the Franchise Agreement.

NOW THEREFORE, in consideration of the premises outlined herein and the execution of this Release, it is hereby agreed by the parties as follows:

1. The provisions of the recital paragraphs outlined are hereby incorporated by reference as if set out fully and shall have full force and legal effect.

2. Franchisee and Guarantor on behalf of themselves, their predecessors, successors, assigns, officers, agents, employees, representatives, partners, directors, servants, officers, parents, affiliates and attorneys do hereby RELEASE AND FOREVER DISCHARGE CORPORATE CLEANING GROUP and its predecessors, successors, assigns, officers, agents, employees, representatives, partners, directors, servants, officers, parents, affiliates and attorneys and all persons or entities which might be liable from any and all actions, causes of action, claims, demands, damages, costs, expenses and compensation arising out of any event, known or unknown, occurring prior to the date of this Release and specifically, without restricting said Release, release CCGFS and its predecessors, successors, assigns, officers, agents, employees, representatives, partners, directors, servants, officers, parents, affiliates and attorneys and all persons or entities which might be liable from any and all actions, causes of action, claims, demands, damages, costs and expenses directly or indirectly arising out of (a) the Franchise Agreement and any performance required by CCGFS under the Franchise Agreement; (b) any obligation to buy back or repurchase any franchise unit covered by the Franchise Agreement, or any property owned by Franchisee

and Guarantors, whether arising under the Franchise Agreement or otherwise; and (c) any facts, claims or representations of the sale of said Franchise Agreement to Franchisee.

3. This Release shall be binding upon and shall inure to the benefit of all parties hereto, their heirs, executors, administrators, successors, and assigns, and parties hereby agree for themselves and their heirs, executors, administrators, successors and assigns to execute any and all instruments and to perform any acts which may be necessary or proper to carry out the purpose of this Release.

4. This Release sets forth the entire understanding between the parties. No change or modification hereto shall be valid unless made in writing and signed by all parties hereto.

5. The provisions of this Release are severable. If any paragraph, section, subdivision, sentence, clause, or phrase of this Release is for any reason held to be contrary to law or contrary to any rule or regulation having the force and effective law, such decision shall not affect the remaining provisions of this Agreement.

6. This Release may be executed in any number of copies, the copies of which shall be deemed an original, but all of which shall constitute one and the same Release.

7. This Release shall be governed by the substantive laws of the State of Michigan

8. The terms hereof are contractual and not mere recitals and they state the entire agreement between the parties.

9. In the event any party to this Release makes a claim relating to any conflict, omission, or ambiguity in this Release, no presumption or burden of proof or persuasion shall be implied by virtue of the fact that this Release was prepared by or at the request of a particular party or its counsel.

IN WITNESS WHEREOF, the parties have executed this Release the day and year first above written.

FRANCHISOR:

FRANCHISEE:

CORPORATE CLEANING GROUP
FRANCHISE SYSTEMS, LLC

(Corporate or LLC name)

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

GUARANTORS:

GENERAL RELEASE

[For assignment/transfer of Franchise Agreement]

This Release (the "Release") is made and entered into this _____ day of _____, 20 , by and between Corporate Cleaning Group Franchise Systems, LLC, a Michigan limited liability company, (hereinafter referred to as "CCGFS"), and _____, a [insert jurisdiction of incorporation or organization] [corporation/limited liability company] ("Franchisee") and [names of shareholders or members] ("Guarantors").

WITNESSETH:

WHEREAS, CCGFS and Franchisee are parties to a CORPORATE CLEANING GROUP Franchise Agreement dated _____ (the "Franchise Agreement") granting Franchisee the exclusive right to open a CORPORATE CLEANING GROUP franchise ("Franchise Business") under said Franchise Agreement within an area described in Exhibit A to the Franchise Agreement; and

WHEREAS, Guarantors are the sole [shareholders/members] of Franchisee; and

WHEREAS, Guarantors personally guaranteed the obligations of Franchisee under the Franchise Agreement; and

WHEREAS, Franchisee has transferred the rights to the Franchise Agreement and sold the assets of the Franchise Business to _____, assigning unto _____, all rights, privileges and goodwill in said Franchise Agreement, subject to the terms and conditions thereof which included, the agreement by _____ to pay CCGFS the required transfer fee; and

WHEREAS, CCGFS has agreed to approve the assignment of the Franchise Agreement and the sale of the assets to _____ upon the express condition that Franchisee and Guarantors release CCGFS as provided in this Release; and

WHEREAS, Franchisee and Guarantors desire to release CCGFS from certain obligations, claims, rights and privileges which may have accrued or been established by CCGFS, Franchisee, and Guarantors as a result of said Franchise Agreement and the Guaranty and Assumption of Obligations Agreement and relative to the sale and purchase of the franchise rights to _.

NOW THEREFORE, in consideration of the premises outlined herein and the payment of the required transfer fee and the execution of this Release, it is hereby agreed by the parties as follows:

1. The provisions of the recital paragraphs outlined are hereby incorporated by reference as if set out fully and shall have full force and legal effect.

2. CCGFS agrees to approve the sale of assets and the assignment of the Franchise Agreement to .

3. Franchisee and Guarantor on behalf of themselves, their predecessors, successors, assigns, officers, agents, employees, representatives, partners, directors, servants, officers, parents, affiliates and attorneys do hereby RELEASE AND FOREVER DISCHARGE CORPORATE CLEANING GROUP and its predecessors, successors, assigns, officers, agents, employees, representatives, partners, directors, servants, officers, parents, affiliates and attorneys and all persons or entities which might be liable from any and all actions, causes of action, claims, demands, damages, costs, expenses and compensation arising out of any event, known or unknown, occurring prior to the date of this Release and specifically, without restricting said Release, release CCGFS and its predecessors, successors, assigns, officers, agents, employees, representatives, partners, directors, servants, officers, parents, affiliates and attorneys and all persons or entities which might be liable from any and all actions, causes of action, claims, demands, damages, costs and expenses directly or indirectly arising out of (a) the Franchise Agreement and any performance required by CCGFS under the Franchise Agreement; (b) any obligation to buy back or repurchase any franchise unit covered by the Franchise Agreement, or any property owned by Franchisee and Guarantors, whether arising under the Franchise Agreement or otherwise; and (c) any facts, claims or representations of the sale of said Franchise Agreement to Franchisee.

4. This Release shall be binding upon and shall inure to the benefit of all parties hereto, their heirs, executors, administrators, successors, and assigns, and parties hereby agree for themselves and their heirs, executors, administrators, successors and assigns to execute any and all instruments and to perform any acts which may be necessary or proper to carry out the purpose of this Release.

5. This Release sets forth the entire understanding between the parties. No change or modification hereto shall be valid unless made in writing and signed by all parties hereto.

6. The provisions of this Release are severable. If any paragraph, section, subdivision, sentence, clause, or phrase of this Release is for any reason held to be contrary to law or contrary to any rule or regulation having the force and effective law, such decision shall not affect the remaining provisions of this Agreement.

7. This Release may be executed in any number of copies, the copies of which shall be deemed an original, but all of which shall constitute one and the same Release.

8. This Release shall be governed by the substantive laws of the State of Michigan.

9. The terms hereof are contractual and not mere recitals and they state the entire agreement between the parties.

10. In the event any party to this Release makes a claim relating to any conflict, omission, or ambiguity in this Release, no presumption or burden of proof or persuasion shall be

implied by virtue of the fact that this Release was prepared by or at the request of a particular party or its counsel.

IN WITNESS WHEREOF, the parties have executed this Release the day and year first above written.

FRANCHISOR:

FRANCHISEE:

CORPORATE CLEANING GROUP
FRANCHISE SYSTEMS, LLC

(Corporate or LLC name)

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

GUARANTORS:

EXHIBIT I

STATE ADDENDA

**ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
FOR CORPORATE CLEANING GROUP FRANCHISE SYSTEMS LLC
REQUIRED BY THE STATE OF MARYLAND**

For franchises and franchisees subject to the Maryland Franchise Registration and Disclosure Law, the following information replaces or supplements, as the case may be the corresponding disclosures in the main body of the text of the **CORPORATE CLEANING GROUP FRANCHISE SYSTEMS LLC** Franchise Disclosure Document.

Item 17.

The Summary of the “Cause” Defined—No curable Defaults (provision (h.)) is amended to provide that provisions allowing termination on bankruptcy may not be enforceable under Title 11, United States Code Section 101 *et seq.*

The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

A franchisee may bring a lawsuit 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 3 years after the grant of the franchise.

I have received this Addendum as an Exhibit to the Franchise Disclosure Document with an effective date in Maryland of _____, 20 .

DATE

PROSPECTIVE FRANCHISEE SIGNATURE

PRINTED NAME

**AMENDMENT TO FRANCHISE AGREEMENT
FOR CORPORATE CLEANING GROUP FRANCHISE SYSTEMS LLC
REQUIRED BY THE STATE OF MARYLAND**

This Amendment shall pertain to residents of the State of Maryland or franchises to be located in the State of Maryland shall be for the purpose of complying with Maryland statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Franchise Agreement shall be amended as follows:

1. The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Delaware Law.

3. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

4. A franchisee may bring a lawsuit to Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. A provision in the Franchise Agreement which terminates the Franchise Agreement upon the bankruptcy of the franchisee may not be enforceable under Title 11, Unites States Code Section 101.

Dated this _____ day of _____, 20____.

Franchisor:

Corporate Cleaning Group Franchise Systems LLC

By: _____

Print Name: _____

Title: _____

Date: _____

Franchisee:

By: _____

Print Name: _____

Title: _____

Date: _____

**ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT
FOR CORPORATE CLEANING GROUP FRANCHISE SYSTEMS LLC
REQUIRED BY THE STATE OF MICHIGAN**

In recognition of the requirements of the Michigan Franchise Investment Law, Chapter 445, Sections 445.1501 through 445.1546 and the regulations promulgated thereunder, the Franchise Disclosure Document of **CORPORATE CLEANING GROUP FRANCHISE SYSTEMS LLC**, for use in the State of Michigan shall be amended as follows:

1. On page ii, immediately following the “Effective Date” the following shall be inserted:

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.

- (A) A PROHIBITION ON THE RIGHT OF THE FRANCHISEE TO JOIN AN ASSOCIATION OF FRANCHISEES.**
- (B) A REQUIREMENT THAT A FRANCHISEE ASSENT TO A RELEASE, ASSIGNMENT, NOVATION, WAIVER OR ESTOPPEL WHICH DEPRIVES A FRANCHISEE OF RIGHTS AND PROTECTIONS PROVIDED IN THIS ACT. THIS SHALL NOT PRECLUDE A FRANCHISEE, AFTER ENTERING INTO A FRANCHISE AGREEMENT, FROM SETTling ANY AND ALL CLAIMS.**
- (C) A PROVISION THAT PERMITS A FRANCHISOR TO TERMINATE A FRANCHISEE PRIOR TO THE EXPIRATION OF ITS TERM EXCEPT FOR GOOD CAUSE. GOOD CAUSE SHALL INCLUDE THE FAILURE OF THE FRANCHISEE TO COMPLY WITH ANY LAWFUL PROVISION OF THE FRANCHISE AGREEMENT AND TO CURE SUCH FAILURE AFTER BEING GIVEN WRITTEN NOTICE THEREOF AND A REASONABLE OPPORTUNITY, WHICH IN NO EVENT NEED BE MORE THAN THIRTY (30) DAYS, TO CURE SUCH FAILURE.**
- (D) A PROVISION THAT PERMITS A FRANCHISOR TO REFUSE TO RENEW A FRANCHISE WITHOUT FAIRLY COMPENSATING THE FRANCHISEE BY REPURCHASE OR OTHER MEANS FOR THE FAIR MARKET VALUE AT THE TIME OF EXPIRATION OF THE FRANCHISEE’S INVENTORY, SUPPLIES, EQUIPMENT,**

FIXTURES, AND FURNISHINGS. PERSONALIZED MATERIALS WHICH HAVE NO VALUE TO THE FRANCHISOR AND INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES AND FURNISHINGS NOT REASONABLY REQUIRED IN THE CONDUCT OF THE FRANCHISE BUSINESS ARE NOT SUBJECT TO COMPENSATION. THIS SUBSECTION APPLIES ONLY IF: (i) THE TERM OF THE FRANCHISE IS LESS THAN FIVE (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, LOGO TYPE, ADVERTISING, OR OTHER COMMERCIAL SYMBOL IN THE SAME AREA SUBSEQUENT TO THE EXPIRATION OF THE FRANCHISE OR THE FRANCHISEE DOES NOT RECEIVE AT LEAST SIX (6) MONTHS ADVANCE NOTICE OF FRANCHISOR'S INTENT NOT TO RENEW THE FRANCHISE.

- (E) A PROVISION THAT PERMITS THE FRANCHISOR TO REFUSE TO RENEW A FRANCHISE ON TERMS GENERALLY AVAILABLE TO OTHER FRANCHISEES OF THE SAME CLASS OR TYPE UNDER SIMILAR CIRCUMSTANCES. THIS SECTION DOES NOT REQUIRE A RENEWAL PROVISION.**
- (F) A PROVISION REQUIRING THAT ARBITRATION OR LITIGATION BE CONDUCTED OUTSIDE THIS STATE. THIS SHALL NOT PRECLUDE THE FRANCHISEE FROM ENTERING INTO AN AGREEMENT, AT THE TIME OF ARBITRATION, TO CONDUCT ARBITRATION AT A LOCATION OUTSIDE THIS STATE.**
- (G) A PROVISION WHICH PERMITS A FRANCHISOR TO REFUSE TO PERMIT A TRANSFER OF OWNERSHIP OF A FRANCHISE, EXCEPT FOR GOOD CAUSE. THIS SUBDIVISION DOES NOT PREVENT A FRANCHISOR FROM EXERCISING THE RIGHT OF FIRST REFUSAL TO PURCHASE THE FRANCHISE. GOOD CAUSE SHALL INCLUDE, BUT NOT BE LIMITED TO:
 - (i) THE FAILURE OF A PROPOSED TRANSFEREE TO MEET THE FRANCHISOR'S THEN CURRENT REASONABLE QUALIFICATIONS OR STANDARDS.**
 - (ii) THE FACT THAT THE PROPOSED TRANSFEREE IS A COMPETITOR OF THE FRANCHISOR OR SUBFRANCHISOR.**
 - (iii) THE UNWILLINGNESS OF THE PROPOSED TRANSFEREE TO AGREE IN WRITING TO COMPLY WITH ALL LAWFUL OBLIGATIONS.****

- (iv) **THE FAILURE OF THE FRANCHISEE OR PROPOSED TRANSFEREE TO PAY ANY SUMS OWING TO THE FRANCHISOR OR TO CURE ANY DEFAULT IN THE FRANCHISE AGREEMENT EXISTING AT THE TIME OF THE PROPOSED TRANSFER.**

- (H) **A PROVISION THAT REQUIRES THE FRANCHISEE TO RESELL TO THE FRANCHISOR ITEMS THAT ARE NOT UNIQUELY IDENTIFIED WITH THE FRANCHISOR. THIS SUBDIVISION DOES NOT PROHIBIT A PROVISION THAT GRANTS TO A FRANCHISOR A RIGHT OF FIRST REFUSAL TO PURCHASE THE ASSETS OF THE FRANCHISEE ON THE SAME TERMS AND CONDITIONS AS A BONA FIDE THIRD PARTY WILLING AND ABLE TO PURCHASE THOSE ASSETS, NOR DOES THIS SUBDIVISION PROHIBIT A PROVISION THAT GRANTS THE FRANCHISOR THE RIGHT TO ACQUIRE THE ASSETS OF A 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 A MANNER PROVIDED IN SUBDIVISION (C).**

- (I) **A PROVISION WHICH PERMITS THE FRANCHISOR TO DIRECTLY OR INDIRECTLY CONVEY, ASSIGN OR OTHERWISE TRANSFER ITS OBLIGATIONS TO FULFILL CONTRACTUAL OBLIGATIONS TO THE FRANCHISEE UNLESS PROVISION HAS BEEN MADE FOR PROVIDING THE REQUIRED CONTRACTUAL SERVICES.**

THE FACT 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.

2. Item 3, under the heading entitled "LITIGATION," shall be amended by deleting the paragraph in its entirety and substituting the following in lieu thereof:

Neither **CORPORATE CLEANING GROUP FRANCHISE SYSTEMS LLC**, nor any person identified in Item 2 of the Franchise Disclosure Document, has been convicted of a felony or pleaded nolo contendere to a felony charge or has been enjoined in a civil action by final judgment if the felony or civil action involved violation of a franchise, antifraud or securities law, fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

Neither **CORPORATE CLEANING GROUP FRANCHISE SYSTEMS LLC**, nor any person identified in Item 2 of the Franchise Disclosure Document, is subject to any currently effective order of the United States Securities and Exchange Commission or the securities administrator of any state denying registration of, or barring or suspending the registration or license of, the person as a securities broker,

dealer, securities agent, or registered representative or investment advisor or is subject to a currently effective order of a national securities association or national securities exchange, as defined in the securities exchange act of 1934, suspending or expelling the person from membership in the association or exchange.

Neither **CORPORATE CLEANING GROUP FRANCHISE SYSTEMS LLC**, nor any person identified in Item 2 of the Franchise Disclosure Document, is subject to a currently effective order or ruling of the federal trade commission.

Neither **CORPORATE CLEANING GROUP FRANCHISE SYSTEMS LLC**, nor any person identified in Item 2 of the Franchise Disclosure Document, is subject to a currently effective injunctive or restrictive order relating to 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 salesperson.

3. Item 17, subsection (c), entitled “Requirements for you to renew or extend” shall be amended by deleting the phrase “and General Release” from the Franchise Agreement Summary Section and adding the following after the Franchise Agreement Summary Section:

You must execute a general release, in a form prescribed by **CORPORATE CLEANING GROUP FRANCHISE SYSTEMS LLC**, of any and all claims against **CORPORATE CLEANING GROUP FRANCHISE SYSTEMS LLC**, its affiliates and their respective shareholders, officers, directors, agents, and employees, excluding only such claims as you may have under the Michigan Franchise Investment Law.

4. Item 17, subsection (j), entitled “Assignment of Contract by **CORPORATE CLEANING GROUP FRANCHISE SYSTEMS LLC**,” shall be supplemented by the following language:

Michigan law may impose certain restrictions on our ability to assign.

5. Item 17, Subsection (m), entitled “Conditions for approval of transfer,” shall be amended by deleting the phrase “execute general release” from the Area Development Agreement Summary Section and deleting “sign general release” from the Franchise Agreement Summary Section and adding the following after each Summary Section:

You must execute a general release, in a form prescribed by **CORPORATE CLEANING GROUP FRANCHISE SYSTEMS LLC**, of any and all claims against **CORPORATE CLEANING GROUP FRANCHISE SYSTEMS LLC**, its affiliates and their respective shareholders, officers, directors, agents, and employees, excluding only such claims as you may have under the Michigan Franchise Investment Law.

6. Item 17, Subsection (v) entitled "Choice of Forum," shall be supplemented by the following language:

The foregoing Choice of Forum should not be considered a waiver of any right conferred upon any party by the Michigan Franchise Investment Law.

7. Item 17, Subsection (w) entitled "Choice of Law," shall be supplemented with the following language:

The foregoing Choice of Law should not be considered a waiver of any right conferred upon either you or upon us by the Michigan Franchise Investment Law.

8. Each provision of this Addendum to the Franchise Disclosure Document shall be effective only to the extent, with respect to such provisions, that the jurisdictional requirements of the Michigan Franchise Investment Law and the regulations promulgated thereunder are met independently without reference to this Addendum to the Franchise Disclosure Document.

9. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Disclosure Document.

10. To the extent this Addendum shall be deemed inconsistent with any terms or conditions of the Franchise Disclosure Document, the terms of this Addendum shall govern.

THIS ADDENDUM ADDRESSES CERTAIN PROVISIONS OF MICHIGAN LAW THAT AMEND THE FRANCHISE DISCLOSURE DOCUMENT OF CORPORATE CLEANING GROUP FRANCHISE SYSTEMS LLC. READ THIS ADDENDUM CAREFULLY.

I have received this Addendum as an Exhibit to the Franchise Disclosure Document with an effective date in Michigan of _____, 20____.

DATE

PROSPECTIVE FRANCHISEE SIGNATURE

PRINTED NAME

**ADDENDUM TO FRANCHISE AGREEMENT
FOR CORPORATE CLEANING GROUP FRANCHISE SYSTEMS LLC
REQUIRED BY THE STATE OF MICHIGAN**

In recognition of the requirements of the Michigan Franchise Investment Law, Chapter 445, Sections 445.1501 through 445.1546 and the regulations promulgated thereunder, the parties set forth below agree to enter into this Addendum (the “Addendum”) to amend the Franchise Agreement of the **CORPORATE CLEANING GROUP FRANCHISE SYSTEMS LLC** for use in the State of Michigan as follows:

1. Section 15.C. (3) shall be deleted in its entirety and shall have no force and effect and the following shall be inserted in lieu thereof:

Franchisee and its Principals shall execute a general release, in a form satisfactory to Franchisor, of any and all claims which either Franchisee or its Principals may have against Franchisor, its affiliates, and their respective shareholders, past and present officers, directors, agents, and employees, excluding only such claims as the Franchisee or its Principals may have under Michigan Franchise Investment Law.

2. Section 16.D. (7) shall be amended by insertion of the following:

Franchisee and its Principals shall execute a general release, in a form satisfactory to Franchisor, of any and all claims which either Franchisee or its Principals may have against Franchisor, its affiliates, and their respective shareholders, past and present officers, directors, agents, and employees, excluding only such claims as the Franchisee or its Principals may have under Michigan Franchise Investment Law.

3. Section 21.G., under the heading entitled “GOVERNING LAW” shall be supplemented by the addition of the following language:

The foregoing choice of law should not be considered a waiver of any right conferred upon either party by the Michigan Franchise Investment Law.

4. Section 21.H., under the heading entitled “EXECUTIVE JURISDICTION” shall be supplemented by the addition of the following language:

The foregoing choice of forum should not be considered a waiver of any right conferred upon either party by the Michigan Franchise Investment Law.

5. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Michigan Franchise Investment Law and the regulations promulgated thereunder, are met independently without references to this Addendum.

6. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

7. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of the Franchise Agreement, the terms of this Addendum shall govern.

ATTEST

FRANCHISOR:

**CORPORATE CLEANING GROUP FRANCHISE
SYSTEMS LLC**

By: _____
Name: _____
Title: _____

FRANCHISEE:

By: _____
Name: _____
Title: _____

Effective Date: _____, 20____

EXHIBIT J

EFFECTIVE DATES OF STATE REGISTRATIONS AND EXEMPTIONS

EXHIBIT J

EFFECTIVE DATES OF STATE REGISTRATIONS AND EXEMPTIONS

State	Effective Date
Michigan	July 11, 2021
Texas	June 4, 2007

EXHIBIT K

RECEIPTS

EXHIBIT K

RECEIPTS

This disclosure document summarizes certain provisions of the Corporate Cleaning Group franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If we offer you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with proposed franchise sale.

Michigan and Oregon require that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If we do not deliver this disclosure document on time or if it contains or 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 the appropriate state agency identified on Exhibit D.

The franchisor is Corporate Cleaning Group Franchise Systems, LLC, located at 39201 Schoolcraft Road, Suite B12, Livonia, Michigan 48150. Its telephone number is (734) 522-1144.

The name, principal address and telephone number of each franchise seller offering the franchise:

Devin Dollar, Chief Executive Officer, 39201 Schoolcraft Road, Suite B12, Livonia, MI 48150 (734) 522-1144

Len Yakuber, Chief Operating Officer, 39201 Schoolcraft Road, Suite B12, Livonia, MI 48152(734) 522-1144

Effective Date: April 26, 2021, amended January 4, 2022

See Exhibit D for our registered agents authorized to receive service of process.

I have received a disclosure document dated April 26, 2021, amended January 4, 2022, that included the following exhibits:

- EXHIBIT A - Financial Statements
- EXHIBIT B - Franchise Agreement
- EXHIBIT C - State Administrators
- EXHIBIT D - Agents for Service of Process/Effective Dates
- EXHIBIT E - Table of Contents of the Operations Manual
- EXHIBIT F - Disclosure Acknowledgment Agreement
- EXHIBIT G - Electronic Funds Transfer Authorization
- EXHIBIT H - General Release
- EXHIBIT I - State Addenda
- EXHIBIT J - State Effective Dates
- EXHIBIT K - Receipts

Date

Signature

Printed Name

(Please sign, date, and return this Receipt to CORPORATE CLEANING GROUP)

EXHIBIT K

RECEIPTS

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If we offer you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with proposed franchise sale.

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- EXHIBIT K- Receipts

Date

Signature

Printed Name

(Please sign, date, and keep this Receipt for your files)