

# FRANCHISE DISCLOSURE DOCUMENT

**Mint Condition Franchise Group, LLC.**  
**A South Carolina Limited Liability Company**

1057 Red Ventures Drive, Suite 165

Fort Mill, South Carolina 29707

(803) 548-6121

[jsumby@mintconditioninc.com](mailto:jsumby@mintconditioninc.com)

<http://www.mintconditioninc.com>



We offer a master franchise for the right to sell unit franchises to operate janitorial and building maintenance service businesses under the name “Mint Condition”.

The total investment necessary to begin operation of a Mint Condition janitorial master franchise business is from \$117,595 to 718,820. This includes an Initial Franchise Fee of between \$84,000 to \$641,540\* that must be paid to the franchisor or affiliate (\*assumes a population base of 7 million).

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

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

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

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

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 Jack Saumby, President, Mint Condition Franchise, LLC. at 1057 Red Ventures Drive, Suite 165, Fort Mill, SC, 29707 and (803) 548-6121.

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

**Issuance Date: March 31, 2025**

## How to Use This Franchise Disclosure Document

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

<b>QUESTION</b>	<b>WHERE TO FIND INFORMATION</b>
<b>How much can I earn?</b>	Item 19 may give you information about outlet sales, costs, profits and losses. You should also try to obtain this information from others, like current and former franchisees. You can also find their names and contact information in Item 20 or Exhibit D.
<b>How much will I need to invest?</b>	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit C includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only Mint Condition business in my area?</b>	Item 12 and "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What's it like to be a Mint Condition franchisee?</b>	Item 20 or Exhibit D list current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	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 in you are losing money.

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

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

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

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

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

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

### **Some States Require Registration**

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

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

## Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with us first by litigation only in the State of North Carolina. 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 North Carolina than in your own state.
2. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

Certain states may require other risks to be highlighted. Check the “State Specific Addenda” (if any) to see whether your state requires other risks to be highlighted.

**(THE FOLLOWING APPLY TO TRANSACTIONS GOVERNED BY  
THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY)**

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

A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protection provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

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.

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.

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.

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.

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:

The failure of the proposed transferee to meet the Franchisor's then current reasonable qualifications or standards.

The fact that the proposed transferee is competitor of the Franchisor or Sub-franchisor.

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

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.

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).

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

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

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

Any questions regarding this notice should be directed to:

State of Michigan  
Department of Attorney General  
670 G Mennen William Building  
Lansing, Michigan 48913  
Telephone Number: (517) 373-3800

## **TABLE OF CONTENTS**

ITEM 1: THE FRANCHISOR, PARENTS, PREDECESSORS, AND AFFILIATES .....	1
ITEM 2: BUSINESS EXPERIENCE .....	3
ITEM 3: LITIGATION .....	4
ITEM 4: BANKRUPTCY .....	5
ITEM 5: INITIAL FEES .....	5
ITEM 6: OTHER FEES .....	5
ITEM 7: ESTIMATED INITIAL INVESTMENT .....	10
ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES .....	13
ITEM 9: FRANCHISEE’S OBLIGATIONS .....	17
ITEM 10: FINANCING .....	18
ITEM 11: FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING.....	18
ITEM 12: TERRITORY .....	24
ITEM 13: TRADEMARKS .....	26
ITEM 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION .....	27
ITEM 15: OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS.....	28
ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL .....	29
ITEM 17: RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION .....	29
ITEM 18: PUBLIC FIGURES.....	32
ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS .....	32
ITEM 20: OUTLET AND FRANCHISEE INFORMATION .....	35
ITEM 21: FINANCIAL STATEMENTS .....	37
ITEM 22: CONTRACTS.....	37
ITEM 23: RECEIPT .....	38

## **EXHIBITS TO FRANCHISE DISCLOSURE DOCUMENT**

A.	FEDERAL AND STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS
B.	MASTER FRANCHISE AGREEMENT, ATTACHMENTS 1-6
B-1	INDIVIDUAL FRANCHISE AGREEMENT TEMPLATE, SCHEDULES A-G
C.	FINANCIAL STATEMENTS
D.	LIST OF MASTER & INDIVIDUAL FRANCHISED BUSINESSES
E.	TABLE OF CONTENTS OF MASTER FRANCHISE OPERATIONS MANUAL
F.	STATE AMENDMENTS TO THE FRANCHISE DISCLOSURE DOCUMENT
G.	STATE ADDENDUMS TO M ASTER FRANCHISE AGREEMENT
H.	STATE EFFECTIVE DATES
I.	RECEIPT

## **ITEM 1: THE FRANCHISOR, PARENTS, PREDECESSORS, AND AFFILIATES**

### **The Franchisor**

To simplify the language in this Disclosure Document (“Disclosure Document”) “us”, “we”, “our”, “Company” or “Mint Condition” refers to the franchisor, Mint Condition Franchise Group, LLC. “You”, “Your”, “Franchisee”, “Master Franchisee” or “Master Franchise Owner” refers to the person who buys a Master Franchise from us. If you are a corporation, partnership, limited liability company or other legal entity, the provisions of our Master Franchise Agreement also will apply to your owners, officers, directors, members and/or managers by virtue of our requirements that your owners personally guarantee your obligations under our Master Franchise Agreement. Unless otherwise indicated, the term “Franchised Location” or “Master Franchised Business” means a franchised Mint Condition Master Franchised Business.

We conduct business under the name “Mint Condition.” We are a South Carolina limited liability company that was organized on January 6, 2022. Our principal business and mailing address is 1057 Red Ventures Drive, Suite 165, Fort Mill, South Carolina 29707. We and our predecessor before us have been offering and selling Mint Condition Franchised Businesses since December 1996 and Master franchises since November 2004 under our predecessor.

### **Predecessors, Affiliates and Parents**

We have a predecessor, Mint Condition of Charlotte, Inc (the Predecessor”). The Predecessor was incorporated as Mint Condition Franchising, Inc in in North Carolina on October 16, 1996, and subsequently changed its name to Mint Condition of Charlotte, Inc on January 1, 2022. Our predecessor’s principal business and mailing address are 1057 Red Ventures Drive, Suite 165, Fort Mill, South Carolina 29707. The Predecessor offered franchises for Mint Condition Franchised Businesses since December 1996 and currently operates a Mint Condition Master Franchise offering and selling Mint Condition Business in the Charlotte, North Carolina area. Mint Condition of Charlotte, Inc. offers franchises much in the same way as described in this Franchise Disclosure Document as they essentially operate a Master Franchise. Other than the previous, the Predecessor has not offered franchises in any other lines of business previously.

We have an affiliate, Mint Condition Properties, LLC (the “Affiliate”). The Affiliate was organized in South Carolina on January 6, 2022. Our Affiliate’s principal business and mailing address are 1057 Red Ventures Drive, Suite 165, Fort Mill, South Carolina 29707. Our Affiliate is the owner of the trademarks and has licensed the use of the Marks to us for use in connection with the Mint Condition System. Our Affiliate has not offered franchises in this or any other lines of business previously.

We and our Affiliate are wholly-owned by Mint Condition Holdings, LLC (the “Parent”). The Parent was organized in South Carolina on January 5, 2022 and has its principal business and mailing address at 1057 Red Ventures Drive, Suite 165, Fort Mill, South Carolina 29707. The Parent has not offered franchises in this or any other lines of business previously.

### **Agent for Service of Process**

Our agent for service of process is disclosed in Exhibit A.

### **Prior Experience**

We have been offering and selling Mint Condition Individual Franchised Businesses since December 1996, and Mint Condition Master Franchised Businesses since November 2004. As of end of our last fiscal year, December

31, 2023, there were 393 Individual Franchised Businesses and 11 Master Franchised Businesses in the Mint Condition System. Of those, 115 of the Individual Franchised Businesses and 10 of the Master Franchised Businesses, were our direct franchisees. We own 1 corporate master franchise that operates franchised businesses in Charlotte, North Carolina. Except as described above, we have not engaged in, or offered franchises in, any other lines of business.

### **The Business We Offer**

We offer and sell franchises for Mint Condition Master Franchised Businesses. These Franchised Businesses specialize in the performance of janitorial and building maintenance services for commercial buildings, and other ancillary products and services. In addition, we also directly offer and sell Individual Franchised Businesses, pursuant to a separate Franchise Disclosure Document. We have no other business activity.

### **The Master Franchise**

Under the Master Franchise Agreement (the “Franchise Agreement”), we grant master franchises (each a “Franchise”) to qualified parties under the trademark Mint Condition, and certain other trademarks, tradenames, service marks, slogans, and logos (the “Proprietary Marks” or “Marks”). As a Master Franchisee, you offer and grant Unit Franchises (“Unit Franchises”) to qualified parties that will provide commercial industrial and institutional cleaning and maintenance services and related services (“Services”) for janitorial customers (“Customers”) and solicit and establish accounts for services for customers within your Territory that will be serviced by your Unit Franchisees (the “Unit Franchisees” or “Janitorial Franchises”). You also provide certain support services for your Unit Franchisees as described in the Franchise Agreement. The franchise must be operated within the geographic area (the “Territory”) specified on Schedule A to your Franchise Agreement (“Individual Franchised Business” or “Janitorial Franchises”) that in turn provide the actual cleaning services. If necessary, the Master Franchise Owner will provide cleaning services to its clients on an interim basis when Janitorial Franchises are not available.

You may sell Unit Franchises to qualified parties, which may include unrelated third parties and/or an affiliate that has been specifically formed to operate a Unit Franchise and perform services for customers in your Territory. You must use a separate Franchise Disclosure Document (a “Unit Franchise Disclosure Document”) and a separate Unit Franchise Agreement (“Unit Franchise Agreement”) that we provide to you, for your sale of Unit Franchises and to grant Unit Franchisees the right to use the Proprietary Marks, and the Mint Condition programs, materials, and procedures (the “System”) in the performance of the services on a daily, weekly, or monthly basis. Each of your Unit Franchisees (including your affiliates), must sign the Unit Franchise Agreement. You must, however, carefully review, prepare and add information to these documents regarding you and your franchise, at your expense, to include all disclosures required by applicable law. You are exclusively responsible for complying with all federal and state franchise and business opportunities, registration, and disclosure laws and the payment of all registration and filing fees. To prepare your Unit Franchise Disclosure Document and comply with applicable and business opportunities, registration, and disclosure laws as just discussed, you may require the services of an attorney.

### **The Mint Condition Master Franchise Program**

Under the Master Franchise Agreement (the “Master Franchise Agreement” or the “Agreement”) attached as Exhibit B to this Franchise Disclosure Document, Mint Condition grants qualified purchasers the right to establish and operate from a single location (the “Location”) a Master Franchised Business within a specified Territory (the “Territory”). You may operate the Master Franchised Business from your commercial location.

In order to sell Individual Franchised Businesses, you must create and use a separate Franchise Disclosure

Document that conforms to federal and state law and regulation. Some states require that your Franchise Disclosure Document be registered in the state in a form acceptable to the state before you may offer franchises for sale.

The primary services of an Individual Franchised Business include offering to its customers janitorial cleaning and maintenance of commercial buildings. In addition, they may be able to offer carpet cleaning, tile floor cleaning and stripping, window washing, and other specialty cleaning services, on a daily, weekly, monthly or on an as needed basis. The Individual Franchised Business will perform these services for its customers that you as the Master Franchise Owner find for them or they find for themselves. The Master Franchise Owner will handle all billing and collection matters for its Individual Franchised Business.

### **Market and Competition**

The market for janitorial service franchises is well developed; it consists of customers for commercial cleaning contracts, predominately smaller single tenant office buildings and tenants in business parks. This market is developed to different degrees in different areas.

If you open a Mint Condition Master Franchised Business, your competition will include other businesses offering similar products and services to the general public. Your competitors may be national chains, other franchisors, brokers, corporations, or local independent businesses. You will not compete with us or our predecessor within your territory for the sale of your unit franchises.

### **Applicable Laws and Regulations**

There are federal and state laws that govern the operation of your Master Franchise Business. Prior to selling franchises to Janitorial Franchise Owners, Master Franchise Owner must create and register its own Franchise Disclosure Document in compliance with the requirements of the Federal Trade Commission and applicable state franchise laws or regulations. Some jurisdictions may choose to regulate vigorously these and other laws that may adversely affect your ability to obtain the proper permits needed in order to open a Mint Condition Master Franchised Business. In these states, you may not offer unit franchises until the respective state regulatory commissions approve your application. Prior to signing the Agreement, we strongly recommend that you make sure that you will be able to obtain all necessary permits and licenses in order to operate the Master Franchised Business in your Territory.

## **ITEM 2: BUSINESS EXPERIENCE**

### **President and Chairman of the Board: John F. (Jack) Saumby**

Mr. Saumby served as our President and Chairman of the Board since its inception in October 1996. Mr. Saumby founded Maintenance World, Inc. in Charlotte, North Carolina with Ms. Marcy Saumby in June 1987 and has served as its President and Chairman of the Board since its founding. Maintenance World, Inc. has operated in a similar manner as the Franchised Business described in this Disclosure Document and became a franchisee of Mint Condition on December 15, 1998 but discontinued operations in 2009.

### **Director of Administration: Michelle Welch**

Ms. Welch was appointed as our Director of Administration on January 1, 2020. Prior to that time, she served as our Office Manager/Executive Assistant from January 1, 2014 to December 31, 2019 and Administrative Assistant from November 2008 to December 2013. She serves in her current position in our Charlotte, NC office.

## **Regional Director: Andre Haskins**

Mr. Haskins was appointed our Regional Director on January 1, 2023. Prior to that time, he served as our Director of Operations from January 2020 to December 2022 and Area Manager from July 2018 to December 2019. Prior to that, he was an area manager for Wis International located in Charlotte, NC, from September 2017 to July 2018. From February 2014 to June 2017, he served as an operations manager for Web Don, Inc. located in Charlotte, NC.

### **ITEM 3: LITIGATION**

On July 25, 2014, in a case entitled Willis, et al. vs. Mint Condition Franchising, Inc., seven existing or former Mint Condition franchisees, including Anthony Willis and Cornelius Harp, filed a complaint in Mecklenburg County Superior Court, NC, 14 CVS 13688, alleging breach of contract, fraud, constructive fraud, unjust enrichment, unfair trade practices, breach of fiduciary duty, tortious interference with contract and conversion by defendant, and sought punitive damages against Mint Condition. Mint Condition denied all material allegations of the claims made. In the case, one of the plaintiffs, Arry Wilson McCauley, the Franchise Agreement was terminated by mutual agreement, for a payment of \$8,910.00, and for a dismissal of all claims with prejudice by Arry Wilson McCauley against Mint Condition Franchising, Inc. On April 24, 2015, the Court granted Mint Condition's motion to sever each of the remaining plaintiffs' cases, resulting in the dismissal without prejudice of all claims by all plaintiffs, except for those of Anthony Willis. On June 10, 2015, the remaining plaintiff, Anthony Willis, voluntarily dismissed all claims without prejudice.

On October 27, 2015, Anthony Willis re-filed his complaint in Mecklenburg County Superior Court, 15 CVS 20134 (the "Willis Lawsuit"), re-alleging identical claims as those stated in his previously severed and dismissed case. Mint Condition subsequently filed a counterclaim against Willis for breach of contract. On August 5, 2016, summary judgment was entered in favor of Mint Condition on all claims in the Willis Lawsuit, except for the breach of contract claim. On August 17, 2016, the jury returned a verdict in the Willis Lawsuit finding that Mint Condition breached the Franchise Agreement and that Anthony Willis was entitled to recover the amount of \$11,443.00 from Mint Condition. The jury also found that Anthony Willis breached the Franchise Agreement and that Mint Condition was entitled to recover the amount of \$3,105.00 from Anthony Willis. The respective judgments have been paid by both parties.

On January 11, 2016, in a case entitled Cornelius Harp vs. Mint Condition Franchising, Inc., Cornelius Harp, a franchisee of Mint Condition Franchising, Inc., who had been a plaintiff in the previously severed and dismissed Willis case, filed a complaint in Mecklenburg County Superior Court, 16 CVS 578, alleging breach of contract, fraud, unjust enrichment, unfair and deceptive trade practices, tortious interference and unjust enrichment, and seeking punitive damages. The lawsuit was settled in November 2016 by payment to Mr. Harp in the amount of \$5,000.00, and the lawsuit was dismissed with prejudice on December 15, 2016.

On October 27, 2015, in a case entitled Renand Codio vs. Mint Condition Franchising, Inc., Renand Codio, filed a complaint in Mecklenburg County Superior Court, 15 CVS 20135, alleging breach of contract, fraud, unjust enrichment, unfair and deceptive trade practices, tortious interference and unjust enrichment, and seeking punitive damages. Mint Condition filed a counterclaim against Mr. Codio for breach of contract. The lawsuit was settled in November 2016 by payment to Mr. Codio in the amount of \$2,000.00, and the lawsuit was dismissed with prejudice on November 10, 2016.

On April 1, 2016, in a case entitled Reginald L. Richmond, et al vs. Mint Condition Franchising, Inc., Reginald Richmond and Ida Richmond filed a complaint in Mecklenburg County Superior Court, 16 CVS 6374, alleging breach of contract, fraud, unjust enrichment, unfair and deceptive trade practices, tortious interference and unjust

enrichment, and seeking punitive damages. The lawsuit was settled in November 2016 by payment to Mr. and Mrs. Richmond in the amount of \$7,250.00, and the lawsuit was dismissed with prejudice on December 15, 2016.

On April 12, 2016, in a case entitled Deborah Ellis vs. Mint Condition Franchising, Inc., Deborah Ellis filed a complaint in Mecklenburg County Superior Court, 16 CVS 6961, alleging breach of contract, fraud, unjust enrichment, unfair and deceptive trade practices, tortious interference and unjust enrichment, and seeking punitive damages. The lawsuit was settled in November 2016 by payment to Ms. Ellis in the amount of \$3,700.00, and the lawsuit was dismissed with prejudice on December 15, 2016.

Other than these actions, no litigation is required to be disclosed in this item.

#### **ITEM 4: BANKRUPTCY**

There is no bankruptcy information that must be disclosed in this Item.

#### **ITEM 5: INITIAL FEES**

You must pay us an Initial Franchise Fee upon signing the Master Franchise Agreement (“Initial Master Franchise Fee”). This Initial Master Franchise Fee varies with a minimum of \$84,000 or \$84 per 1,000 of population in your Territory, whichever is greater. Population numbers are based on the most recent U.S. Census Bureau data available. You must pay in full by certified check, cashier’s check, or another form of payment that is acceptable to us at the time you sign the Master Franchise Agreement. Cited below are examples of the Initial Master Franchise Fee for different sized territories:

<b>Initial Master Franchise Fee</b>	<b>Size of Territory</b>
\$84,000	1,000,000 population
\$105,000	1,250,000 population
\$126,000	1,500,000 population
\$147,000	1,750,000 population
\$168,000	2,000,000 population
\$420,000	5,000,000 population
\$588,000	7,000,000 population

The Initial Master Franchise Fee is fully earned and non-refundable.

From time to time, we may offer special incentive programs as part of our franchise development activities. We reserve the right to offer, modify or withdraw any incentive program without notice to you. Currently, we offer a discount on the Initial Master Franchise Fee if you are a veteran who served in the United States Armed forces and received an honorable discharge, then we will offer you a 10% discount from the total Initial Master Franchise Fee that you are required to pay to us.

#### **ITEM 6: OTHER FEES**

<b>(Column 1) TYPE OF FEE</b>	<b>(Column 2) AMOUNT</b>	<b>(Column 3) DUE DATE</b>	<b>(Column 4) REMARKS</b>
Royalty Fee	The greater of 4% of Gross Monthly Revenues or the minimum monthly fee must be paid.	By the 20 <sup>th</sup> day of the following month	See Note 1 below
Placement Fee	8% of the monies received by Master	By the 20 <sup>th</sup> day of the	See Note 2 below

	Franchise Owner for sale of unit franchise and/or transfer or Successor Agreement fee	following month	
National Advertising Fund	.75% of Gross Monthly Revenue	By the 20 <sup>th</sup> day of the following month	See Note 3 below
Marketing for Individual Franchised Businesses	\$1,250 per month	Must send evidence at the start of each calendar quarter	See Note 4 below
Marketing for New Commercial Accounts	\$1,800 per month	Must send evidence at the start of each calendar quarter	See Note 5 below
Interest on Late Payments	\$100 per incident plus 1.5% interest per month, or the maximum legal rate allowed by law.	When payment is overdue	See Note 6 below
Transfer Fee	10% of then-current Initial Master Franchise Fee or \$10,000, whichever is greater	Before transfer is effective	See Note 7 below
Successor Agreement Fee	10% of then-current Initial Franchise Fee	Upon signing new Franchise Agreement	See Note 8 below
Additional Training, Assistance & Refresher Training	Reasonable per diem amount to be charged by the Company	Before Additional Training, Assistance or Refresher Training begins	See Note 9 below
Temporary Management	\$500 per day plus out of pocket expenses	As billed by Franchisor	See Note 10 below
Supplier Approval	Actual costs of supplier Approval	Upon receipt of bill	See Note 11 below
Audit Costs	Actual costs of audit, plus interest on amount of overdue monies	Upon receipt of bill	See Note 12 below
Software Updates	Actual costs of updated software, currently \$500 per year	Upon receipt of bill	See Note 13 below
Indemnification	Actual costs of indemnifications	Upon receipt of bill	See Note 14 below

All of the fees listed above are uniformly imposed by and payable to us, or third-party vendor. All fees are nonrefundable.

NOTE 1: Royalty Fee. You must pay to us a Royalty Fee equal to the greater of 4% of the Gross Revenues collected by you, or the minimum Royalty Fee. The Royalty Fee that is payable for all Gross Revenues collected by the Master Franchise Owner, as defined in the Agreement, shall be paid to the company by the 20<sup>th</sup> day of the following month. The minimum Royalty Fee for the term of the Agreement is as follows:

	Months							
<b>Territory Size</b>	<b>0-6</b>	<b>7-12</b>	<b>13-24</b>	<b>25-36</b>	<b>37-48</b>	<b>49-60</b>	<b>61-72</b>	<b>73-120</b>
<b>0-2 Million Population</b>	\$0	\$400	\$1,000	\$1,500	\$2,250	\$3,000	\$3,750	\$4,500
<b>+2 Million Population</b>	\$0	\$600	\$1,500	\$2,250	\$3,375	\$4,500	\$5,625	\$6,750

Failure to make payment of the Royalty fee for six (6) consecutive months will be considered a default of the Franchise Agreement and we may seek remedies up to and including termination of the Franchise Agreement.

The term “Gross Revenues” as defined further in the Manual, means all income for any cleaning or maintenance services, whether for contract services, sales of supplies, equipment or other goods; initial cleans; one-time cleaning services; extra work performed; and any other revenue related to, connected with or derived from the provision of any janitorial, cleaning and maintenance services, including commercial, industrial, institutional and services, whether any such services are provided by Master Franchise Owner or any of your Janitorial Franchise Owners. Cash refunded and credit given to customers will be deducted from Gross Revenues, but not credits for poor performance or lack of service.

All fees and expenses described in this Item are non-refundable and, unless otherwise indicated, are imposed uniformly by, and are payable to, us. We do not finance any fees to be paid to us, nor are we aware of any financing options.

NOTE 2: Placement Fee. You must pay to us a Placement Fee calculated at the time you complete the sale of an Individual Franchised Business. The Placement Fee that you must pay to the company for such sales of Individual Franchised Businesses shall be 8% of the total cash payment that you receive for each franchise, including all Initial Franchise Fees, as well as deferred down payments and upgrades through the Business Procurement Fee, and Successor Agreement fees and transfer fees received from your Janitorial Franchise Owners. The Business Procurement Fee that you may charge is based on business you offer to an Individual Franchised Business that is in excess of your original commitment of janitorial and maintenance business to an Individual Franchised Business. If an Individual Franchised Business accepts the offer of additional business from you, you may charge a Business Procurement Fee to the Individual Franchised Business. The Business Procurement Fee is 2 times the monthly gross revenues of the additional business offered to the Individual Franchised Business equal to 9% of the revenue derived from the additional business.

If any part of the Individual Janitorial Initial Franchise Fee is financed, the Placement Fee shall be due and payable to the company on the total monthly note payments, including any interest charged on the financing thereof. The Placement Fee payable on any franchise sold shall be paid to us by the 20th day of the following month from the date the Janitorial Franchise Agreement payment has been received by the Master Franchise Owner.

All fees and expenses described in this Item are non-refundable and, unless otherwise indicated, are imposed uniformly by, and are payable to, us. We do not finance any fees to be paid to us, nor are we aware of any financing options.

NOTE 3: National Advertising Fund. The current fee is .75% of gross revenue and is paid to us on the 20<sup>th</sup> of the following month.

NOTE 4: Marketing for Individual Franchised Businesses. You must create a marketing plan in order to recruit qualified Individual Franchised Businesses. We must pre-approve all marketing plans that you intend to implement for such recruiting purposes. You must spend, as a minimum \$1,250. The amount is based on our experience, but your marketing expenses may be significantly

different. Failure to spend the minimum Marketing expenditure for three (3) consecutive or non-consecutive months within a 12-month period, will be considered a default of your Franchise Agreement and we may seek remedies up to and including termination of your Franchise Agreement

- NOTE 5: Marketing for New Cleaning Accounts. You must create a marketing plan in order to secure new cleaning accounts for your Individual Franchised Business. The company must pre-approve all marketing plans that you intend to implement for such marketing purposes. You must spend, as a minimum \$1,800 per month. The amount is based on our experience, but your marketing expenses may be significantly different. Failure to spend the minimum Marketing expenditure for three (3) consecutive or non-consecutive months within a 12-month period, will be considered a default of your Franchise Agreement and we may seek remedies up to and including termination of your Franchise Agreement
- NOTE 6: Interest on Late Payments. If you fail to pay your Royalty Fee, any advertising expenditure, equipment or supplies purchased from the Company, or its affiliated companies (if applicable), you are subject to a late fee of \$100 per incident plus 1½% interest per month of the unpaid balance, or the maximum permitted by law, whichever is higher. We also have the right to assess service charges for any items that are returned for insufficient funds, and late charges if permitted by applicable law. Regardless of anything to the contrary, Minn. Stat. § 604.113 allows for only one service charge per dishonored check that is not to exceed \$30.00.
- NOTE 7: Transfer Fee. The Company will charge a transfer fee of 10% of the then-current Initial Master Franchise Fee charged by the Company in the then-current Master Franchise Agreement, or \$10,000, whichever is greater. There are other conditions for transfer (see Item 17 in this Franchise Disclosure Document).
- NOTE 8: Successor Agreement Fees. When you renew your Mint Condition Master Franchise Agreement, the Company charges a Successor Agreement fee of 10% of the then-current Initial Master Franchise Fee. There are other conditions for Successor Agreement (see Item 17 in this Franchise Disclosure Document).
- NOTE 9: Additional Training, Assistance and Refresher Training. The Company will provide initial training for the Master Franchise Owner and his or her designated representative at no extra charge. The Company permits the Master Franchise Owner to send additional persons to the initial training class on a space-available basis and may charge a fee, to be based upon a daily per diem charge as outlined in the Company's Manual. The Company also reserves the right to charge per diem charges for other training courses. As of the date of this Franchise Disclosure Document, the daily per diem charge ranges from \$300-\$600, depending upon the Company's personnel involved in such training. The Master Franchise Owner is also responsible for all out-of-pocket expenses (including travel costs, if any) involved in such additional training, assistance or refresher training.

All fees and expenses described in this Item are non-refundable and, unless otherwise indicated, are imposed uniformly by, and are payable to, us. We do not finance any fees to be paid to us, nor are we aware of any financing options.

- NOTE 10: Temporary Management. If at any time, you have no one who has successfully completed the Company's initial training program available to manage your Master Franchised Business, then we have the right to provide a temporary manager to operate your Master Franchised Business at a fee of at least \$500 per day, per person, plus all out-of-pocket expenses.
- NOTE 11: Supplier Approval. We reserve the right to charge you a fee for reviewing a proposed supplier of any goods to be used in connection with the franchise. If the Company determines that it is necessary to inspect the supplier's facilities or conduct tests, the Company will require you or the supplier to pay The Company's actual costs incurred for such inspection and testing.
- NOTE 12: Audit. If we audit your business and find that you have underreported your Gross Monthly Revenues by 5% or more during any month, or you have failed to provide certain supporting records to Mint Condition Franchise Group, LLC, then you will be required to pay the costs of the audit. You will also be required to pay the fees associated with the un-reported amounts, and interest on past-due amounts. We reserve all of our other rights for breach of contract, as noted in the Agreement.
- NOTE 13: Software Updates. You must purchase all updates for your software programs, as sent to you by the software provider(s). We will also send you software updates, as we deem necessary, for any changes that are needed for the Manual or other materials that we have prepared for your benefit.
- NOTE 14: Indemnification. You are solely responsible for and must indemnify and hold us harmless for all loss, damage, claims or demands arising in connection with your operation of a Mint Condition Master Franchised Business.

*Remainder of Page Intentionally Left Blank*

## **ITEM 7: ESTIMATED INITIAL INVESTMENT**

### **YOUR ESTIMATED INITIAL INVESTMENT**

<b>(Column 1) Type of Expenditure</b>	<b>(Column 2) Low Amount</b>	<b>(Column 3) High Amount</b>	<b>(Column 4) Method of Payment</b>	<b>(Column 5) When Due</b>	<b>(Column 6) To Whom Payment Is To Be Made</b>
Initial Master Franchise Fee (Note 1)	\$84,000	\$641,540	Payment in Immediately Available Funds	Upon signing of Master Franchise Agreement	Franchisor
Initial Office Supplies (Note 2)	\$700	\$1,000	As Incurred	As Arranged	Vendors
Initial Franchise Supplies (Note 3)	\$500	\$650	As Incurred	As Arranged	Vendors
Initial Rent and Deposit (Note 4)	\$1,400	\$2,000	As Incurred	Upon signing Lease Agreement	Lessor
Office Furniture and Equipment (Note 5)	\$1,400	\$3,000	As Incurred	Upon signing Lease Agreement	Vendors
Printing (Note 6)	\$1,225	\$1,730	As Incurred	As Arranged	Vendors
Permits, Licenses, and Fees (Note 7)	\$600	\$1,700	As Incurred	As Arranged	Government Agencies
Insurance Deposits (Note 8)	\$1,330	\$1,600	As Incurred	As Arranged	Insurance Carrier or Broker
Legal Fees (Note 9)	\$2,350	\$4,600	As Incurred	As Arranged	Attorney
Travel for Initial Training (Note 10)	\$3,700	\$5,200	As Incurred	As Arranged	Vendors
Computer Software (Note 11)	\$ 2,200	\$6,000	As Incurred	As Arranged	Vendors
Computer Hardware (Note 12)	\$3,000	\$3,500	As Incurred	As Arranged	Vendors
Telephone System (Note 13)	\$200	\$450	As Incurred	As Arranged	Vendors
Technology Fee (Note 14)	\$840	\$1,000	As Incurred	As Arranged	Vendors
Marketing for Individual Franchised Businesses (1 <sup>st</sup> 3 Months) (Note 15)	\$3,750	\$6,750	As Incurred	As Arranged	Vendors
Marketing for New Commercial Accounts (1 <sup>st</sup> 3 Months) (Note 16)	\$5,400	\$8,100	As Incurred	As Arranged	Vendors
Additional Funds – 3 months (Note 17)	\$5,000	\$30,000	As Incurred	As Arranged	Vendors
<b>TOTAL</b>	<b>\$117,595</b>	<b>\$718,820</b>			

- NOTE 1: Initial Master Franchise Fee. The Initial Master Franchise Fee varies depending on the size of the Territory you purchase. This Fee will be based on \$84 per 1,000 population, or \$84,000, whichever is greater. The high end of this estimate assumes a base population of 7 million. Please see Item 5 for information on incentive programs that may offer a discount on the Initial Master Franchise Fee.
- NOTE 2: Initial Office Supplies. We estimate that the initial office supplies will be approximately \$700-\$1,000. Some of the initial office supplies will include pens, pencils, yellow pads, folders, paper clips, binder clips, stamps, and other general office supplies.
- NOTE 3: Initial Franchise Supplies. We estimate that the initial franchise supplies will be approximately \$500 to \$650. Some of the initial franchise supplies include aprons, logo shirts, digital camera and memory card, and training videos.
- NOTE 4: Initial Rent and Deposit. We estimate that the initial rent and deposit for your office will be \$1,400 to \$2,000. These expenses are estimated to be the first month's rent and a security deposit equal to another month's rent, both paid in advance. You are required to maintain an appropriate business office, which must be approved by us. Your office space is required to have adequate space to hold interviews, meetings, and train franchisees. You may rent a co-working space with a minimum of 170 sq/ft and provided you have access to a conference room, which must be approved by us. We expect that your office will be in a professional "executive office suite" environment.
- NOTE 5: Office Furniture and Equipment. We estimate that your expenses for office furniture and equipment will be approximately \$1,400 to \$3,000. Some of the office furniture and equipment will include desks, chairs, file cabinets, and bookcases. Generally, the office furniture will be included in the lease package.
- NOTE 6: Printing. We estimate that your expenses for printing will be approximately \$1,225 to \$1,730. Such printing costs will include business cards, letterhead, envelopes, invoices, checks, marketing materials and forms.
- NOTE 7: Permits, Licenses and Fees. We estimate that your expenses for permits, licenses and fees will be approximately \$600 to \$1,700. You are required to pay all applicable permits, licenses, or fees, which vary depending on the state in which you operate your Business and governmental jurisdictions.
- NOTE 8: Insurance Deposits. We estimate that your expenses for insurance deposits will be approximately \$1,330 to \$1,600. Such insurance costs include Workers' Compensation, General Liability, Property Damage Liability, an Umbrella Policy, and Bonding for all Individual Franchised Businesses, subcontractors, and employees. In addition, the Master Franchise Owner must include hired and unowned auto coverage as well as content insurance for their place of business. The Master Franchise Owner will generally be required to pay a percentage of the initial premium upfront with installments paid monthly. At the time of first obtaining insurance coverage, and any subsequent time that the Master Franchise Owner desires to obtain a different insurance carrier, the Company must give to you prior approval of the insurance carrier. Your insurance must make provisions for the Company to be named as an additional insured on the policy or policies, and

further require the insurance carrier to provide to us a copy of your newly issued policy or policies, including any and all Certificates of Renewals (see Item 8 of this disclosure document for additional details).

- NOTE 9: Legal Fees. Legal fees will be paid by you, if appropriate. We estimate that your expenses for legal fees will be approximately \$2,350 to \$4,600. The legal fees are paid to retain an attorney to assist the Master Franchise Owner in certain tasks including incorporating your business or choosing another form of organization which he/she desires (e.g. corporate, partnership, sole proprietor, limited partnership) and reviewing your Lease Agreement or other contracts or agreements. Your attorney will also be needed to prepare the Franchise Disclosure Document package of legal documents for your selling Janitorial Franchise Agreements in your Territory. The Company will provide you and your attorney with a sample template of the Franchise Disclosure Document and Janitorial Franchise Agreement for your usage.
- NOTE 10: Travel for Initial Training. We estimate that your travel expenses for your initial training will be approximately \$3,700 to \$5,200. These costs can vary significantly depending on the number of people trained, the distance traveled, lodging, meals and other factors. The length of stay for the initial training program is estimated to be up to 10 business days at the Company's Home Office.
- NOTE 11: Computer Software. We estimate that your expenses for computer software and internet programs will be approximately \$2,200 to \$6,000. This estimate includes the first year of your Inspection Software fee which we require upon starting your franchised business. The computer software and internet is an important part of our operating system and covers such topics as our accounting system, bidding and estimating program and the customer relations management program. You are required to use all computer software that is designated by us. These costs will also include the initial set up of all software systems and the business package including a prospect database to support the customer relations management program. The customer relations management software and accounting and bidding and estimating software will be available through a licensing agreement. This software will be provided remotely through a web-based platform. The cost for the accounting software will also include the initiation and set up fee, along with the first month for the service fee and license fee. This does not include any costs for updating software required by the vendor. We will be allowed remote access to these software systems. These costs are based on a one-person office in which one concurrent user is available. If additional users are added, additional costs would be incurred.
- NOTE 12: Computer Hardware. We estimate that your expenses for computer hardware will be approximately \$3,000 to \$3,500. You will need two compatible computers with the software that normally accompanies such computers, a printer/copier/fax, and the proper equipment to hold presentations as needed. One computer will be utilized in the daily operations of the Master Franchised Business, including correspondence, contact manager, accounting and bidding and estimating potential new customer accounts. You will also need a second computer for your telemarketer.
- NOTE 13: Telephone System. We estimate that your expenses for a telephone system will be approximately \$200 to \$450. This telephone system will include two lines, Voice Mail and/or an answering service on one of the lines. These prices are assuming that you are leasing this system through your Executive Suite Office complex.

- NOTE 14: Technology Fee. We estimate specific set-up costs to utilize the required software system, the website local pages, and the franchise digital marketing program. This will include the set-up of the accounting and bidding & estimating program, and landing pages for your franchisee digital marketing program. You will also have access to the software for the drip marketing campaigns. There is a set-up fee for the required software.
- NOTE 15: Marketing for Individual Franchised Businesses. We estimate that your expenses for marketing for Individual Franchised Businesses will be approximately \$3,750 to \$6,750. You are required to spend a minimum of \$1,250 per month on marketing for the recruitment of new Individual Franchised Businesses.
- NOTE 16: Marketing for New Commercial Accounts. We estimate that your expenses for marketing new commercial accounts will be approximately \$5,400 to \$8,100. You are required to spend a minimum of \$1,800 per month on marketing for new commercial accounts.
- NOTE 17: Additional Funds. The estimate of additional funds is based on an owner-operated business and does not include any allowance for an owner's draw. The estimate of \$5,000 to \$30,000 is for a period of at least three months excluding the owner's salary.

We relied upon the experience of current Mint Condition Master Franchisees to compile these estimates. You should review these figures carefully with a business advisor before making any decision to invest in the franchise. These figures are estimates, and we cannot guarantee that you will not have additional expenses starting your franchised business. Your additional costs will depend on factors such as how closely you follow our methods and procedures, your management skill, experience, and business acumen; local economic conditions; the local market for our service; competition; and the sales level reached during your initial period. We estimate that a Master Franchise Owner can expect to put additional cash into the business during the first three to six months, and sometimes longer. Regardless, Mint Condition Franchise Group, LLC cannot estimate or guarantee when, or whether, any individual Master Franchise Owner will achieve positive cash flow or profits.

We do not offer direct or indirect financing to master franchisees for any other items included in this section. All fees and payments are non-refundable, unless otherwise stated or permitted by the payee.

## **ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

### **Specifications and Standards**

You must purchase certain products, supplies and equipment under specifications and standards that we periodically establish either in the Master Franchise Agreement, Manuals or other notices we send to you. These specifications are established to provide standards for performance, durability, design and appearance. We will notify you whenever we establish or revise any of our standards or specifications, or if we designate approved suppliers for products, equipment or services.

We may choose to negotiate purchase agreements for certain equipment or supplies; however, we are not required to do so. You may purchase such equipment or supplies from such designated suppliers or from any approved supplier on such terms as you negotiate. The Manual contains details relating to such purchases. At the time you

open your Mint Condition Master Franchise Business, you must stock the initial inventory of products, services and franchise supplies required by us as outlined in the Manual, or otherwise in writing.

### **Required Purchases**

Your required product purchases are estimated to be less than 5% of all purchases or leases by you in connection with the cost of establishing the Master Franchised Business and approximately less than 5% of the costs of operating a Master Franchised Business.

The Company estimates that the following purchases of products and services will represent the following percentages of your total purchases of products and services to establish and operate your Master Franchised Business:

<b>Category</b>	<b>% of Total to Establish</b>	<b>% of Total to Operate</b>
Purchases from the Company	less than 5%	less than 5%
Purchases/leases under the Company's specifications	100%	100%
Purchases/leases from Approved outside suppliers	100%	100%

The Company may negotiate purchase arrangements for your benefit. We do not provide any material benefit to you based on your use of approved suppliers. The Company has no purchasing or distribution cooperatives. The Company and its affiliates do not currently receive any revenue, rebates, discounts or other material consideration from any suppliers based on purchases by Master Franchise Owners; however, the Company may do so in the future, and any rebates or discounts received by the Company may be kept by it in its sole discretion.

### **Required and Approved Suppliers**

Prior to the time you open the Master Franchised Business, you are obligated to purchase certain products, supplies and equipment from certain designated suppliers. Once you open your Master Franchised Business, you may purchase additional products, supplies or equipment from any approved supplier or vendor, except those purchases noted below in this Item of the Franchise Disclosure Document.

You must purchase all products or services for the Master Franchised Business operations from approved vendors. We are an approved supplier for the initial franchise supplies and printing (see Item 7, Footnote 3 & 6). Due to the fact that the Company's Master Franchise Program only has recently commenced, the company has not received any Gross Revenues from Master Franchise Owner's purchases of required items.

You must purchase specified products, procure all equipment, furniture, printing and office décor items required for the operation of the Mint Condition Master Franchised Business solely from suppliers (including distributors, manufacturers, and other sources) who have been approved in writing by the Company, as set forth in the Manual. We maintain written lists of approved items of equipment and supplies (by brand name and/or by standards and specifications) and lists of approved suppliers for those items. When we update the lists, we will issue the updated lists to all Master Franchise Owners.

### **Method of Approving Suppliers**

The Company will furnish its standards and specifications, as well as its criteria for supplier approval, to Master Franchise Owner on request on a confidential basis. All such suppliers and approved vendors will be listed in the Manual, which must always be followed, even as modified by the Company.

### **Unauthorized Suppliers**

If you desire to purchase any items from an unapproved supplier, you or the supplier must submit to the Company a written request for written approval. We will consider all relevant factors in such approval request, including the quality of goods and services, capacity of supplier, financial condition, terms and other requirements consistent with other supplier relationships. The Company does not have any specific written criteria. We may inspect the supplier's facilities and require that samples from the supplier be delivered or made available to the Company or its designee for testing. You or the proposed supplier shall pay to the Company, in advance, all of our reasonable costs in regard to inspecting the supplier, its facilities and the items involved (see Item 6 concerning the supplier approval fee). The Company will normally notify the supplier and/or Master Franchise Owner of its decision to approve or disapprove within 90 days after receiving such a request. The Company may re-inspect the facilities and products of any previously approved supplier, at your expense, or the expense of such supplier. The Company may revoke its approval if the supplier fails to meet any of the Company's standards and specifications at any time.

### **Purchases from Us & Material Benefits**

Currently, you are not obligated to purchase or lease any equipment, supplies or insurance for your Master Franchise Business from us. We do not provide material benefits to a Master Franchise Owner for use of designated or approved suppliers. In our most recently concluded fiscal year, neither we nor our affiliates received any revenue for required purchases or leases from Master Franchise Owners.

In the most recent fiscal year ending December 31, 2024, neither we nor our affiliates received any revenue from vendors on account of required purchases from our Master Franchisors.

### **Insurance Specifications**

Before you open your Business, you must procure and maintain, in full force and effect during the entire term of the Master Franchise Agreement, at your expense, from a responsible carrier, an insurance policy or policies protecting you, us, and our designated affiliates, directors, agents and employees against any loss, liability, personal injury, death, property damage, or expense whatsoever arising from or occurring upon or in connection with operating your Mint Condition Master Franchise Business. The required insurance limits are set forth in your Operations Manual and include the following:

TYPE	LIMITS OF INSURANCE	DEDUCTIBLE
COMPREHENSIVE GENERAL LIABILITY Bodily Injury Liability and Property Damage Liability	\$1,000,000 per occurrence \$2,000,000 aggregate	property damage only-\$500
Premises, Operations	\$1,000,000 per occurrence \$2,000,000 aggregate	property damage only-\$500
Voluntary Property Damage and Care, Custody and Control	\$25,000 per occurrence	property damage only-\$1,000
Independent Contractors	\$1,000,000 per occurrence	property damage only
Blanket Contractual	\$1,000,000 per occurrence	-0-
Personal and Advertising Injury	\$1,000,000 per occurrence	-0-
Lost Key Coverage	\$5,000 per occurrence	\$500
Property damage to borrowed equipment	\$10,000 aggregate	\$250
Products and completed Operations Liability Coverage	\$1,000,000 per occurrence	Property damage only \$500

TYPE	LIMITS OF INSURANCE	DEDUCTIBLE
Fire Damage	\$500,000 any one fire	-0-
Other Coverage-Premises Medical Payments	\$15,000/person	-0-
CRIME / BUSINESS SERVICES BOND Employee Dishonesty including 3rd party customer legal liability coverage	\$50,000	\$500
Workers Compensation & Statutory Employers Liability	E.L. Each Accident - \$100,000 E.L. Disease Each Employee - \$100,000 E.L. Disease Policy Limit - \$500,000	-0-
BUSINESS UMBRELLA - Excess Form Policy provides excess coverage over all underlying Liability policies, including defense coverage	\$1,000,000	\$10,000 maximum retention. Current policy has a \$0 retention.
BUSINESS OPPORTUNITY BOND 3rd Party Bond – If required by state	\$50,000	\$500
LIMITED POLLUTION Limited Pollution - Worksites	\$100,000	\$1,000
Business Automobile (Including Hired Auto and Employer's Non-Ownership Liability)	\$1,000,000	-0-

Other than what is referenced in the chart above, you must also obtain such other insurance that may be required by us and/or the statutes or other laws of the state or any local governmental entity in which your Business is located and/or operated. All insurance policies should be equal to the amount as required by state law in your specific area. We may increase these limits or have new types of coverage added at any time after giving you notice. We must be named as an "additional insured" on all such policies. You may meet some of the insurance requirements set forth in the Master Franchise Agreement and the Manual by participating in our Insurance Plan, as noted in the Master Franchise Agreement. Upon obtaining the required insurance, you must promptly submit evidence of satisfactory insurance and proof of payment thereof to us, together with, upon request, copies of all policies and policy amendments and endorsements. The evidence of insurance shall include a statement by the insurer that the policy or policies will not be canceled or materially altered without giving at least 30 days' prior written notice to us. You must submit to us, at least annually, and otherwise upon our request, a copy of the certificate of renewal or other evidence of the renewal, existence or extension of such insurance policies. Should you, for any reason, fail to procure or maintain the required insurance, a breach of your Master Franchise Agreement shall result and we shall then have the right and authority (but no obligation) to procure such insurance and to charge same to you, which charges, together with a reasonable fee for our expenses in so acting, shall be payable by you immediately upon notice from us.

### **Records**

All of your bookkeeping and accounting records, financial statements, and all reports you submit to us, must conform to our requirements.

### **Computer Equipment**

We require that you have a computer system which meets our minimum requirements and purchase our designated software and software setup. See Item 11 in this Franchise Disclosure Document for more details.

We plan on requiring additional items to be purchased by the Master Franchise Owner from certain manufacturers or suppliers in the future. We will notify you of such requirements by sending to you such changes by modifying the Manual or sending to you, other written forms of communication.

### **Advertising Specifications**

Before you undertake any advertising, in any form, for your Mint Condition Master Franchised Business, you must first be approved by us to undertake your own sales and marketing programs. You must obtain our prior written approval, at least 30 days in advance, before you can use any advertising and promotional materials, forms or stationery, unless we have prepared or approved them during the 12 months prior to their proposed use. You may purchase certain advertising and promotional materials, brochures, fliers, forms, business cards and letterhead from us or approved vendors. You must not advertise or list your Mint Condition Master Franchise business in any classified telephone directories or websites without our prior written permission. Once you have been granted the approval to undertake your own advertising and marketing programs, you must then get our prior written approval, at least 30 days in advance, for the medium, form and content of any specific advertising campaign before implementing this campaign. This approval is required even if we have furnished the advertising materials to you.

### **Cooperatives**

We do not have any purchasing or distribution cooperatives.

## **ITEM 9: FRANCHISEE'S OBLIGATIONS**

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

<b>OBLIGATION</b>	<b>SECTION IN FRANCHISE AGREEMENT</b>	<b>ITEM IN DISCLOSURE DOCUMENT</b>
a. Site selection and acquisition/lease	Master Franchise Agreement (MFA) § V (A) and VII (E)	Items 8 and 11
b. Pre-opening purchases/leases	MFA § V (G) and IV (G)	Items 5 - 8, 10, 11, 16
c. Site development and other pre-opening requirements	MFA § V (A) and (C)	Items 5, 6, 7, 8 and 11
d. Initial and ongoing training	MFA § V	Item 11
e. Opening	MFA § VII (B) and (F)	Item 11
f. Fees	MFA § VI, VII and VIII	Items 5, 6 and 7
g. Compliance with standards and policies/ Operating Manual	MFA § VII (A), (E), (F) and (G) & XIII (G)	Items 11 and 16
h. Trademarks and proprietary information	MFA § V (D), VII (D) & Confidentiality Agreement (Attachment 3)	Items 13 and 14
i. Restrictions on products/services offered	MFA § VII	Items 8, 12 and 16
j. Warranty & customer service requirements	MFA § VII (C)	Item 11
k. Territorial development and sales quotas	MFA § III and VII	Item 12
l. Ongoing product/service purchases	MFA § VII (F)	Item 8
m. Maintenance, appearance and remodeling requirements	MFA § VII	Items 11 and 17
n. Insurance	MFA § VII	Items 6, 7 and 8
o. Advertising	MFA § V	Items 6, 7 and 11

p. Indemnification	MFA §XV	Item 6
q. Owner's participation/management staffing	MFA §VII (G)	Items 11 and 15
r. Records and reports	MFA §VI and VII	Item 11
s. Inspections and audits	MFA §VI and VII	Items 6 and 11
t. Transfer	MFA §XVI	Items 6 and 17
u. Renewal	MFA §IV (B)	Items 6 and 17
v. Post-termination obligations	MFA §XII, XVIII, Non-Disclosure & Non-Competition Agreement	Item 17
w. Non-competition covenants	MFA §XII, Non-Disclosure & Non-Competition Agreement	Item 17
x. Dispute resolution	MFA §XIX	Item 17
y. Other: Guarantee of franchisee obligations	Guaranty of Franchise Owner's Undertakings, Non-Disclosure & Non-Competition Agreement	Item 15

## **ITEM 10: FINANCING**

We do not offer direct or indirect financing. We do not guaranty your note, lease, or your other obligations.

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

**Except as listed below, we are not required to provide you with any assistance. We may assign or delegate some of our obligations to qualified third parties.**

### **Pre-Opening Assistance**

Prior to opening of the Master Franchised Business, we will:

- A. Designate your Mint Condition protected territory (Master Franchise Agreement ("MFA"). MFA, §III (A).
- B. Provide to you advice regarding the selection of your office space and in furnishing and equipping your office (MFA, §V(G)).
- C. Provide the initial training of you and other staff members, at times and locations designated by us (MFA, §V (C)).
- D. Identify the equipment, materials and supplies necessary for the Franchised Business to begin operations, including the minimum standards and specifications that must be satisfied and the suppliers from whom these items may be purchased or leased (including the Company) (MFA, § (A)(G) and VII(E) (F)).
- E. Provide lists of approved items of equipment, fixtures, inventory and supplies (by brand name and/or by standards and specifications) and lists of approved suppliers for those items (MFA, § V(G)).
- F. Provide you with the use of our Confidential Operations Manual and other manuals and training aids, designated by us for use in the System, as they may be revised by us (MFA, §V(B) & VII (F)).

- G. Provide to you, advice and guidance in preparing to open your Mint Condition Master Franchise Office, including standards and procedures for obtaining inventory and supplies, providing approved supplies, advertising and promoting the business, and operating the business (MFA, §V(F)(G)).

### **Post Opening Assistance**

After the opening of your Master Franchised Business, we will:

- A. Provide on-site assistance, for a period of time, after the opening of the Master Franchised Business (MFA, §V(G)).
- B. Provide, as we deem advisable, access to continuing courses of training, at times and locations designated by the Company (MFA, §V (C) and VII(F)(4)).
- C. Perform, as we deem advisable, inspections of the Master Franchised Business, as the Company deems advisable (MFA, §VII (D)(5)).
- D. Provide, as we deem advisable, updated lists of approved items of equipment, fixtures, inventory, and supplies (by brand name and/or by standards and specifications) and updated lists of approved suppliers for those items (MFA, §V(G)(3)).
- E. Provide, as we deem advisable, periodic advice and guidance through meetings, printed materials and/or other media, as the Company makes available to all Master Franchise Owners in the System (MFA, §V(G)(5)).
- F. Provide, as we deem advisable, templates for your usage in creating a Franchise Disclosure Documents and Franchise Agreements, in order for you to sell Individual Franchised Businesses in your Territory (MFA, §VIII (B)).

### **Advertising**

We do not currently have an advertising or marketing program for Master Franchise Owners. We do not advertise in local, regional, or national media on your behalf. We do not utilize an advertising agency or in-house advertising department. There is no advertising council currently or regional advertising co-operatives. You may develop advertising materials for your own use, at your own cost. You may not use any advertising materials, unless they have been approved by us, at least 30 days in advance, in writing by the Company. At this time, we do not restrict your use of electronic media and the internet, except to approve your advertising materials (MFA, §V(F)). Unless we provide our specific approval of the proposed materials, the materials are deemed dis-approved. Any materials you submit to us for our review will become our property, and there will be no restriction on our use or distribution of these materials (MFA, §V(F)).

### **Marketing Plan**

You must submit to us for approval, at least 30 days prior to its implementation, a local advertising and marketing plan each fiscal year by which you intend to market your Office during the next 12-month period (MFA, §V(F)(1)).

### **National Advertising Fund**

We have created a National Advertising Fund (the “Fund”), to which you are currently required to contribute .75% of your Gross Revenues, subject to increases up to 2% of your gross revenue from the previous month’s operations

of your Business. The Fund is administered by us. We may use Fund monies to pay any and all costs for the development, production and placement of advertising, marketing, promotional and public relations materials and programs relating to the Mint Condition concept and business. We may also use Fund monies to pay any and all costs of marketing seminars and training programs, market research, search engine optimization, and services of advertising and/or public relations agencies. We may also use money from the Fund to support and maintain our Website and for social media initiatives. We will determine, in our discretion, the manner in which monies in the Fund will be spent.

We have the right to direct all marketing and brand development activities undertaken by the Fund with sole discretion over creative concepts, materials and media used, as well as their placement and allocation. We also have the right to determine, in our sole discretion, the composition of all geographic and market areas for the implementation of these marketing and promotional activities. The Fund is intended to maximize general public recognition in all media of the Proprietary Marks and patronage of the Mint Condition businesses, but we have no obligation to make sure that expenditures of the Fund in or affecting any geographic area are proportionate or equivalent to payments of the marketing contribution by franchisees operating in that geographic area, or that any Mint Condition business will benefit directly or in proportion to the marketing contributions paid for the development of advertising and marketing materials or the placement of advertising.

We have the right to reimburse ourselves out of the Fund for the total costs (including indirect costs) of developing, producing and distributing any advertising materials and collecting the Marketing Contribution (including attorneys', auditors' and accountants' fees and other expenses incurred in connection with collecting any Marketing Contribution).

We may, but are not required to, contribute to the Fund on the same basis as you. Funds from the Marketing Contributions will be kept separate and distinct and will be accounted for separately from our other funds. These funds may be used to defray any of our general operating expenses that are directly related to marketing of the Mint Condition concept. We will prepare, and furnish to you upon written request, an annual, unaudited statement of funds collected, and costs incurred. The costs of such reconciliation will be borne by the Fund. Any money remaining in the Fund at the end of any year will carry over to the next year.

During the fiscal year ended December 31, 2024, the National Advertising Fund had expenditures as follows: 24% Inside Sales - Manual, 21% Digital Marketing - Franchise, 19% Digital Marketing - Customer, 14% Inside Sales - Recruiting, 10% Drip Marketing - Customer, 9% Website Maintenance, and 3% Drip Marketing -

We may use the Fund to produce or place advertising that is primarily a solicitation of other Master Franchisees (MFA §V(F)). The Fund and its earnings shall not otherwise inure to our benefit except that any resulting technology and intellectual property shall be deemed our property.

### **Marketing for New Cleaning Accounts**

You must spend, as a minimum, \$1,800 per month for marketing of new cleaning accounts in your Territory. You must send to the Company, at the beginning of each calendar quarter, evidence that you have spent the minimum amount of monies noted above for the marketing of new cleaning accounts (MFA, §VI(G)(4)(5)). You may use required marketing dollars to hire a third-party marketing or sales professional to assist with marketing, upon our written approval. Failure to spend the required minimum Marketing expenditure for any three (3) consecutive or non-consecutive months within a 12-month period will be considered a material default of your franchise agreement in which we reserve the right to seek remedies including but not limited to termination of the franchise agreement. You must send to the Company, at the beginning of each calendar quarter, evidence that you have spent the minimum amount of monies noted above for the marketing of new cleaning accounts (MFA, §VI(F)(4)(5)).

## **Marketing for Individual Franchised Businesses**

You must spend, as a minimum, \$1,250 per month for marketing of Individual Franchised Businesses. You may use required marketing dollars to hire a third-party marketing or sales professional to assist with marketing, upon our written approval. Failure to spend this required minimum Marketing expenditure for any three (3) consecutive or non-consecutive months within a 12-month period will be considered a material default of your Franchise Agreement and we may seek remedies up to and including termination of the Franchise Agreement. You must send to the Company, at the beginning of each calendar quarter, evidence that you have spent the minimum amount of monies noted above for the marketing of new cleaning accounts (MFA, §VI(F)(4)(5)).

## **Advisory Councils**

We have the right to form one or more advisory councils to advise us and work with us to improve the Mint Condition System, including advertising, methods of operations, new products and services, and other matters. If we choose to form an advisory council, it will be made up of our representatives and franchisee representatives. The franchisee representatives may be chosen by us or may be elected by other franchisees in the System. If formed, the advisory council will act in an advisory capacity only and will not have decision making authority. We may form, change, merge or dissolve any advisory council at any time. Unless otherwise specified by us, if you participate on any advisory council, you must pay any expenses you incur related to your participation, such as travel and living expenses related to attending council meetings (Franchise Agreement V(F)(3)).

## **Location Selection**

Under the Agreement, you must administer your Franchised Business only at and from a single location (the "Location") acceptable to us. You must obtain the prior written approval of Mint Condition for the proposed location of your office. We shall review the request for the proposed Location, and within 15 business days of Mint Condition's receipt of the request, we shall approve the proposed Location or reject the Location with comments as to why it was rejected. If we and Master Franchise Owner can't agree on the proposed Location, Master Franchise Owner will be required to submit another Location for approval. The factors we consider in evaluating sites include the following: the general location and neighborhood, population and demographics and proximity to major roads. Your office will not only be used as a location to receive mail but also will be used when meeting with prospective unit franchisees therefore, you must be able to take private meetings within your office. We will not approve a P.O Box as the location of your office (MFA, §V(A) and VIII(E)).

## **Time to Open**

You must open your office and commence business within 3 months after the effective date of the Master Franchise Agreement. The typical length of time between signing the Agreement and opening for business is estimated to be 1 to 3 months. Factors that will affect the length of time it takes you to open your business include your ability to obtain a lease, financing, permits, compliance with local ordinances and restrictions and completion of required training (MFA§ VII(B)(1)). If Master Franchise Owner fails to open its office and commence business on time, as set forth in the Master Franchise Agreement, we may terminate your Franchise and you will not receive any refund of your fees (MFA, §XVIII(B)(1)(b)).

## **Computer Requirements**

You are required to purchase a computer system for your Office operation. The costs of computer hardware and software are part of the initial investments that you must purchase prior to opening your Office. This computer system includes two IBM compatible. Your hardware should be Dell, HP, or equivalent. We estimate that your expenses for computer hardware will be approximately \$3,000 to \$3,500. See Item 7 for the cost of computer hardware and software systems. Each Master Franchise Owner shall be responsible for its on-going maintenance

and support for the computer system as well as DSL access through their local serviced provider. You are also required to acquire and use all computer software and internet-based programs that we designate. At this time, we require at least one subscription to the Inspection Software. Currently, the subscription fee is \$500 annually and is subject to change. See Item 7 for the costs of this software. Each Master Franchise Owner will be responsible for on-going maintenance and support for the computer system. While some of the computer software requirements are charged on an annual basis, we estimate that your monthly charges for the license to use this software is approximately \$625 per month. We estimate the annual costs of maintenance and repair costs to be approximately \$100 to \$500 per year per Franchised Location. We are not obligated to provide or assist you in obtaining the above items or services. We may require you to maintain and add any upgrades to the software that may be developed for the life of your franchise. There is no limitation on cost or frequency in the number of upgrades that we may require. We reserve the right to have remote and independent access to all information generated and stored in your computer systems, including your revenue information and customer data. There are no contractual limitations on our right to have full access to this information. At our option, we may retrieve, download, analyze and store such information and data at any time. Upon our request, you must sign any documents we require to allow us to independently and electronically, access and retrieve the information stored in your computer system. We own all client data stored in your computer system. (MFA, §V(D)).

We require you to provide us access to your information and data in the accounting and bidding and estimating software program. We do not have independent access to the computer systems and software we require. You must provide a variety of information through computer access to us related to your janitorial contacts, accounting, sales, bidding and estimating, utilizing hardware, software and internet, as we may designate, at your expense (MFA, §V(D)).

### **Master Franchise Confidential Operations Manual**

We shall loan to you a copy of the Master Franchise Operations Manual, containing mandatory and suggested specifications, standards and operating procedures prescribed by us, and information relative to other obligations of a Master Franchise Owner, and to the operation of a Mint Condition Master Franchise Business. The Master Franchise Manual is confidential and remains our property, constitute a Trade Secret, and may not be loaned out, duplicated, or copied in whole or in part in any manner. We will have the right to add to and otherwise modify the Master Franchise Manual, as we deem necessary, provided that no such addition or modification will alter your fundamental status and rights under the Master Franchise Agreement. You must always follow the directives of the Master Franchise Manual and you acknowledge that such compliance by you is necessary to protect the integrity and reputation of the System. The Master Franchise Operations Manual has 13 Chapters and a total of 717 pages; the table of contents is attached as Exhibit E (MFA, §VII(F)(2)).

### **Training**

The Company's initial franchise training program is available to all Master Franchise Owners and one additional person, at no charge, however you are responsible for any travel, lodging, and meals for you and your attendees. Before opening for business, you must attend and complete the initial franchise training program to our satisfaction. There are currently no fixed (i.e. monthly or bi-monthly) training schedules. We are flexible in scheduling training to accommodate you and our personnel, and as such, exact training dates will be mutually agreed upon.

Our initial franchise training program is conducted at our headquarters at Fort Mill, South Carolina. The first phase of the initial franchise training program for the Master Franchise Owner lasts up to 10 business days. The initial training program uses Manuals and other written materials developed by us and approved vendors (MFA, §V(C)). As of the date of this disclosure document, the following training program and subjects will be provided to all Master Franchise Owners at our company headquarters:

### TRAINING PROGRAM

(Column 1) SUBJECT	(Column 2) HOURS OF CLASS- ROOM TRAINING	(Column 3) HOURS OF ON-SITE TRAINING	(Column 4) LOCATION
Introduction to Mint Condition	.5		Corporate office located in Fort Mill, SC
Administrative Procedures	8		Corporate office located in Fort Mill, SC
Bookkeeping	16		Corporate office located in Fort Mill, SC
Marketing to Franchise Owners	1.5		Corporate office located in Fort Mill, SC
Selling to Potential Franchise Owners	9		Corporate office located in Fort Mill, SC
Training Franchise Owner	8		Corporate office located in Fort Mill, SC
Periodic Training	2	4	Corporate office located in Fort Mill, SC
Customer: Start-Up/Retention Inspection	3	3	Corporate office located in Fort Mill, SC
Insurance	1		Corporate office located in Fort Mill, SC
The Sales Process	2	10	Corporate office located in Fort Mill, SC
Workload	12		Corporate office located in Fort Mill, SC
Role Play - Customer	2	2	Corporate office located in Fort Mill, SC
<b>TOTAL:</b>	<b>65 Hours</b>	<b>19 Hours</b>	

We will provide the second phase of the training program for the Master Franchise Owner, staff members and hourly personnel for a period of up to five business days. Typical support includes the following training program and subjects on site but can include any necessary support related to the day-to-day operations of a Master Franchised business:

(Column 1) SUBJECT	(Column 2) HOURS OF CLASS- ROOM TRAINING	(Column 3) HOURS OF ON- SITE TRAINING	(Column 4) LOCATION
Selling to Potential Franchise Owners	10		In Your Location
Training Franchise Owners	8	2	In Your Location
Sales Presentation		8	In Your Location
Workload	4		In Your Location
<b>TOTAL:</b>	<b>22 Hours*</b>	<b>10 Hours</b>	

\*The 22 hours of classroom training may include Franchise Recruiting, Customer Sales, and Vendor Management for Supplies. Master Franchise Owners may choose which subjects they will review.

Training will be provided under the direction of our President and Founder since 1996, Jack Saumby, and our Directors, and other persons, as needed. Jack Saumby has over 35 years of experience in the industry and all other directors and persons who are involved have backgrounds are described in Item 2 of this disclosure document. Other employees of the Company and other existing Master Franchise Owners may also participate in providing training to new Master Franchise Owners.

We may also offer additional or refresher training courses. Some of these courses may be mandatory, and some may be optional. These courses may be conducted at our company headquarters or at any other locations selected by us (MFA, §V(C)(1)(B)(2)).

You and/or your employees will be responsible for all out-of-pocket expenses in connection with all training programs, including costs and expenses of transportation, lodging, meals, wages and employee benefits. We have the right to impose reasonable charges for training classes and materials in connection with such training courses. We will notify you of any additional charges before you or your employees enroll in a course (MFA, §V(1)(a-c)(2)).

We may conduct mandatory or optional additional training programs, including an annual conference or national business meeting. If we require it, you must attend an annual conference or national business meeting for up to two and a half (2.5) days each year, at a location we designate. Failure to attend the annual conference or business meeting is a default under the Franchise Agreement and we reserve the right to terminate your Franchise Agreement. We reserve the right to modify the fees for tuition and/or attendance for all additional training programs, including the annual business meeting or conference. Currently, the Non-Attendance Fee is equal to \$1,250. You must also pay your transportation, lodging, meals and other expenses to attend any mandatory training program.

All classes are scheduled by advance written notice to all Master Franchise Owners. Our class cancellation policies will be included in the written notice of class schedules.

## **ITEM 12: TERRITORY**

The Master Agreement grants you the right to operate a Mint Condition Master Franchise in your protected territory ("Territory") which will be described in your Master Agreement. Your Territory will be a geographical area consisting of a state or county or other political subdivision of a state or county in which you alone may offer Mint Condition franchises. In situations where we deem a county too large to have one franchise service it your Territory will comprise a series of contiguous zip codes in the county or Metropolitan statistical area ("MSA") as we may determine at our discretion. The size and boundaries of your protected Territory will be determined by negotiation with us, taking into consideration the population and its density in the protected Territory. After expiration of your Master Franchise Agreement you will no longer have protective rights in your Territory. We will renegotiate your Territory with you for your Successor Franchise Agreement based on the same parameters that were used in establishing the Territory in the original Franchise Agreement you entered into with us. You must lease office space within your Territory subject to our approval. A relocation of your office within your Territory is subject to our approval based upon our then-current site selection criteria.

You will not receive an exclusive territory. You may face competition from other franchises, from outlets that we own, or from other channels of distribution or competitive brands that we control.

We offer a Territory which may vary according to factors such size of urban markets, activity of economy, the nature of the market and the industry in the proposed Territory.

As long as you remain in compliance with your Agreement, The Company will not operate or grant Master

Franchises for a similar or competitive business within your Territory with the exception of a national contract that you choose not to service under terms we negotiate. The Company does not solicit or accept orders within the defined Territory, except in the case of a national contract. If we obtain a national contract within your Territory, you will be offered the opportunity to accept and fulfill the terms of this contract within your Territory. If you decline to accept the terms of the national contract, we may perform or permit other Master Franchisees to perform under the contract in your Territory. You will not receive any compensation if you decline to accept and fulfill the terms of a national contract.

You may accept customers only from addresses located within your Territory. You may not solicit customers from outside your Territory without our prior written approval. If you accept solicited customers from outside your Territory without our permission, then the Company has the right to require you to send all of such Gross Revenues to the Franchise Owner who owns the Territory where such customers are located, or to us.

After you have received your Territory from us, you will not have the options, rights of first refusal or similar rights to acquire Master Franchises outside your defined Territory. We are not restricted from establishing other Master Franchises or Company-owned outlets and other channels of distribution of similar products and services under a different trademark in your Territory without compensation to you. Your Territory or Master Franchise Agreement's continuation is not dependent upon your achieving any sales quotas, market penetrations or other contingencies.

You may not relocate your Franchised Business, without our written consent, which we may withhold in our sole discretion. If you wish to relocate, we reserve the right to terminate your current Franchise Agreement and require you to sign a new Franchise Agreement based on our evaluation of your newly proposed territory. If you do not identify a new territory that we approve, we may fully terminate the Franchise Agreement.

### **Reservation of Rights**

Except as otherwise expressly provided in this Agreement, we and our Affiliates reserve all of our respective rights and discretion with respect to the Proprietary Marks, the System, and your Business anywhere in the world and the right to engage in any business whatsoever, including: (a) the right to operate, and grant to others the right to operate or establish others to operate a Mint Condition business within such territories and on such terms and conditions as we deem appropriate, provided that they are outside the Territory set forth in this Agreement; (b) the right to operate, and grant to others the right to operate not using the Mint Condition name in such Territories, including your Territory, and on such terms and conditions as we deem appropriate; (c) the right to acquire, merge or consolidate with, be acquired by, operate and expand businesses; and (d) to offer the same or similar products and/or services that you are authorized within in your Territory through other channels of distribution, including, but not limited to internet offered services and grocery stores.

We have not established other franchises or company-owned outlets or another distribution channel selling or leasing similar products or services under a different trademark. We describe earlier in this Item 12 what we may do within and outside of your Exclusive Territory.

Except for the businesses operated by our Affiliate, neither we nor any parent or affiliate has established, or presently intends to establish, other franchised or company-owned outlets which sell our products or services under a different trade name or trademark, but we reserve the right to do so in the future, without first obtaining your consent.

Your territorial grant does not depend on your achieving a certain sales volume, market penetration, or other contingency, and we may not alter your Development Area.

During the term of your Franchise Agreement, and provided that you are not in default of your Franchise Agreement, we will not, and will not permit anyone else to, open another dedicated Mint Condition within your Territory. However, notwithstanding this protection right we grant to you, we reserve all rights to sell, either directly or through others, our products and services at non-traditional or captive market venues in the Territory, such as schools, camps, institutional/professional campuses, and conferences. We further reserve all rights to sell our products and services through alternative distribution channels..

### **ITEM 13: TRADEMARKS**

Our Affiliate is the owner of the Marks and has granted us the exclusive right to use the Marks and license to others the right to use the Marks in accordance with the System. Under the Master Franchise Agreement, we grant you the right and license to use the Proprietary Marks and the System solely in connection with your Master Franchised Business. You may use only the mark “Mint Condition” and such other Proprietary Marks as are designated in writing by us for your use, and you may use them only in the manner authorized and permitted by us. You may not directly or indirectly contest our or our Affiliate’s ownership of or rights in the Proprietary Marks or use in your corporate name (if appropriate) any derivative of the mark “Mint Condition.”

The principal trademark and service mark that we license you to use under the Master Franchise Agreement is registered with the United States Patent and Trademark Office and is:

<b>Mark</b>	<b>Mark Type</b>	<b>Reg. No.</b>	<b>Reg. Date</b>	<b>Register</b>
“Mint Condition” and Design	Service Mark	6738405	5/24/2022	Principal
“Mint Condition” Standard Character Mark	Service Mark	6738390	5/24/2022	Principal

Licensor has filed all required affidavits. No registrations have been required to be renewed as of the date of this disclosure document; however, Licensor has filed with the United States Patent and Trademark Office all required maintenance for the above Marks.

There are no agreements currently in effect which significantly limit our right to use or license the use of the Proprietary Marks in a manner material to the Master Franchise.

**Master Franchise Agreement.** Master Franchise Owner shall immediately notify Franchisor in writing of any apparent infringement of or challenge to Master Franchise Owner’s use of the Proprietary Marks, which it becomes aware of, and of any claim by any person of any right in the Proprietary Marks or any similar trade name, trademark, or service mark of which Master Franchise Owner becomes aware. Master Franchise Owner shall not directly or indirectly communicate with any person other than Franchisor and its counsel in connection with any such infringement, challenge, or claim. Franchisor shall bear the cost of such litigation but it shall have sole discretion to take such action as it deems appropriate and shall have the right to exclusive control of any litigation, U.S. Patent and Trademark Office proceeding or other administrative proceeding arising out of such infringement, challenge or claim or otherwise relating to the Proprietary Marks. Master Franchise Owner agrees to execute any and all instruments and documents, render such assistance, and do such 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 such litigation, U.S. Patent and Trademark Office proceeding, or other administrative proceeding or to otherwise protect and maintain the interests of Franchisor in the Proprietary Marks. We will have no obligation to defend or indemnify you if the claim against you relates to your use of the Proprietary Marks in violation of the Franchise Agreement.

**Unit Franchise Agreement.** In the event that litigation involving the Proprietary Marks is instituted or threatened

against Franchisee, Franchisee shall promptly notify Franchisor. Franchisor shall conduct the defense, and bear the expense of such litigation, but shall be entitled to settle or otherwise dispose of the litigation on terms which, in its sole discretion, it may decide upon. Franchisee shall cooperate fully with Franchisor in defending or settling such litigation. We will have no obligation to defend or indemnify you if the claim against you relates to your use of the Proprietary Marks in violation of the Franchise Agreement.

We have the right to require you to modify or discontinue your use of any of the Proprietary Marks. If we exercise this right, we will provide advance notice to all Master Franchise Owner. You will be required to pay for all costs involved in changing your Master Franchised Business' Proprietary Marks.

We have no actual knowledge of either superior prior rights or infringing uses that could materially affect a Master Franchise Owner's use of the Proprietary Marks in any state.

## **ITEM 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

### **Patent Rights**

There are no patents or patent applications pending material to the Mint Condition franchise.

### **Copyrights**

Under the Agreement, we must provide you one copy of the Mint Condition Manual on loan, at or before the time when you begin your initial training course. The Franchisor claims a copyright in the manual and treats the information in the Manual as confidential trade secrets.

### **Confidential Operations Manual**

Under the Agreement, you must operate the Master Franchised Business in accordance with the standards, methods, policies, and procedures specified in the Manual. You will be loaned a copy of the Manual for the term of the Franchise Agreement, when you have completed the initial training program to our satisfaction. You must operate your Franchised Business strictly in accordance with the Manual. You must, at all times, treat the Manual and the information in it as confidential, in accordance with the requirements of the Agreement.

You must treat as confidential the Manual and any other materials created for or approved by us for the operation of your Master Franchised Business. You must use all reasonable efforts to maintain this information as secret and confidential. You must not copy, duplicate, record or otherwise make them available to any unauthorized person. The Manual will remain our sole property and must be returned to us if you cease to be a Master Franchise Owner.

We may revise the contents of the Manual, and you must comply with each new or changed provision. You must ensure that the Manual is kept current, at all times. In the event of any dispute as to the contents of the Manual, the terms of the master copies maintained by us at our Home Office will be controlling.

### **Confidential Information**

The Master Franchise Agreement requires you to maintain all Confidential Information of Mint Condition as confidential both during and after the term of the Master Franchise Agreement. "Confidential Information" includes all information, data, techniques and know-how designated or treated by Mint Condition as confidential and includes the Manual. You may not at any time disclose, copy or use any Confidential Information except as specifically authorized by Mint Condition Franchise Group, LLC. Under the Master Franchise Agreement, you

agree that all information, data, techniques and know-how developed or assembled by you or your employees or agents during the term of the Master Franchise Agreement and relating to the System will be deemed a part of the Confidential Information protected under the Master Franchise Agreement.

See Item 15 below concerning your obligation to obtain confidentiality and non-competition agreements from persons involved in the Master Franchised Business.

### **Unauthorized Use of Copyrights**

*Master Franchise Agreement.* Master Franchise Owner shall immediately notify Franchisor in writing of any apparent infringement of or challenge or claim to Master Franchise Owner's rights to our common law copyrights which Master Franchise Owner becomes aware. Master Franchise Owner shall not directly or indirectly communicate with any person other than Franchisor and its counsel in connection with any such infringement, challenge, or claim. Franchisor shall bear the cost of such litigation, but it shall have sole discretion to take such action as it deems appropriate and shall have the right to exclusive control of any litigation or administrative proceeding arising out of such infringement, challenge or claim. Master Franchise Owner agrees to execute any and all instruments and documents, render such assistance, and do such 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 such litigation, or administrative proceeding or to otherwise protect and maintain Franchisor's interests in the copyrights. We will have no obligation to defend or indemnify you if the claim against you relates to your use of the copyrights in violation of the Franchise Agreement.

*Unit Franchise Agreement.* In the event that litigation involving the copyrights is instituted or threatened against Franchisee, Franchisee shall promptly notify Franchisor. Franchisor shall conduct the defense, and bear the expense of such litigation, but shall be entitled to settle or otherwise dispose of the litigation on terms which, in its sole discretion, it may decide upon. Franchisee shall cooperate fully with Franchisor in defending or settling such litigation. We will have no obligation to defend or indemnify you if the claim against you relates to your use of the copyrights in violation of the Franchise Agreement.

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

You must personally participate in the direct operation of your Mint Condition Master Franchise Business. We believe that only a person with an equity interest can adequately ensure that our standards of quality and competence are maintained. We will only approve you as a Master Franchise Owner if you own a majority of the equity in the business. The Agreement requires that you be directly involved in the day-to-day operations for the first five years of your Master Franchised Business operations, and your failure to do so is a default of the franchise agreement.

You must complete the initial management training course required by the Company. However, the Company may charge a fee for additional training. See Item 6 for details.

Each individual who holds an ownership interest in the Franchise Owner must personally guarantee all of the obligations of the Franchise Owner under the Master Franchise Agreement (see Attachment 2 of the Franchise Agreement for the form of Guaranty of Franchise Owner's Undertakings). Spouses of owners of the Master Franchise Business are not required to sign the Master Franchise Agreement or Guaranty, unless the spouse is also an equity owner in the Master Franchised Business.

At the Company's request, you must obtain and deliver executed covenants of confidentiality and non-competition from any persons who have or may have an ownership interest in the Master Franchise Owner or in the franchise,

or who receive or have access to training and other confidential information under the System. The covenants must be in a form satisfactory to us and must provide that we are a third-party beneficiary of and have the independent right to enforce the covenants.

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

You must operate the Master Franchised Business in strict conformity with all prescribed methods, procedures, policies, standards, and specifications of the System, as set forth in the Manual and in other writings by the Company. You must use the Office only for the operation of the Master Franchised Business and may not operate any other business at or from the Office without the express prior written consent of the Company.

The Company requires you to offer and sell only those goods and services that the Company has approved. The Company maintains a written list of approved goods and services in its Manual.

You must offer all goods and services that the company designates, as required for all franchises. In addition, the Company may require you to comply with other requirements (such as state or local licenses, training, marketing, insurance) before the Company will allow you to offer certain optional services.

We reserve the right to designate additional required or optional services in the future and to withdraw any of our previous approvals. In that case, you must comply with the new requirements. Neither you nor your Individual Franchise Businesses may service customers outside your Territory, but we do not otherwise restrict your access to customers inside your Territory.

You shall provide services to Janitorial Franchise Owners, and to solicit and contract with janitorial customers to be provided janitorial services by Janitorial Franchise Owners, all within your exclusive territory (the “Territory”), using the Trade Name, Proprietary Marks and System in accordance with the terms of your Franchise Agreement. You may not solicit, contract with, or provide services to any Janitorial Franchise Owner or Janitorial Customer located outside your Territory.

## **ITEM 17: RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION**

### **THE FRANCHISE RELATIONSHIP**

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

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
a. Length of the franchise term	Master Franchise Agreement (“MFA”) § IV (A)	10 years (see Exhibit B).
b. Renewal or extension of the term	MFA § IV (B)	If you are in good standing as define below you can sign a unlimited number of successor agreements for 10-year periods each unless we have determined, in our sole discretion, to withdraw from the geographical area where your Master Franchise is located.
c. Requirements for franchisee to renew or extend	MFA § IV (B)	You must: (a) Be in full compliance with all agreements; (b) Sign the then existing form of Master Franchise Agreement; you may be asked to sign a contract with

Provision	Section in Franchise Agreement	Summary
		materially different terms and conditions than your original contract; (c) location and equipment meet current standards; (d) You have the right to renew your office lease; (e) You and your owners must sign releases; (f) Payment of 10% of the then current Initial Master Franchise Fee.
d. Termination by You	MFA § XVIII (C)	We haven't cured breach within 30 days after notice.
e. Termination by Us without cause	None	The Franchise Agreement will terminate upon your death or permanent disability and the Franchise must be transferred within six months to a replacement franchisee that we approve.
f. Termination by Us with cause	MFA § XVIII (B)	You haven't cured breach within 30 days after notice.
g. "Cause" defined—curable defaults	MFA § XVIII (B)	You have 5 business days after written notice of default to cure the failure to make any payment when due under the Agreement or any other Agreements between Master Franchise Owner and Franchisor. You have 30 days after written notice to cure: failure to open your office and commence business on time, or failure to pay the Minimum Royalty Payments; failure to fulfill the Initial Business Plan and/or Additional Business offered to its Janitorial Franchise Owners in a reasonable period of time; misuse the Proprietary Marks or the System or engages in conduct which reflects materially and unfavorably upon the goodwill associated with them including conduct that results in complaints from Janitorial Franchise Owner's or Janitorial Customers or if Master Franchise Owner uses in a Master Franchise Business any names, Proprietary Marks, systems, logotypes or symbols that Franchisor has not authorized Master Franchise Owner to use; after Master Franchise Owner defaults in the performance of any other material obligation under this Agreement or any other agreement with Franchisor or its Affiliate.
h. "Cause" defined—non-curable defaults	MFA § XVIII (B)	Includes abandoning control of Master Franchised Business, consistently failing to pay monies when due, violating laws, material misrepresentation on initial application, attempted assignment without permission, disclosing Manual without permission, repeatedly failing to comply with Manual, breaching MFA or doing anything adverse to Proprietary Marks, failure to comply with MFA or any other Agreement between you and us or you are convicted of a felony
i. Your obligations on termination/non-renewal	MFA § XVIII (D)	Includes payment of monies owed to us, return Manual, cancellation of assumed names and transfer of phone numbers, cease using Proprietary Marks, cease

Provision	Section in Franchise Agreement	Summary
		operating Master Franchised Business, no confusion with Proprietary Marks, our option to purchase your inventory and equipment, and your modification of the premises.
j. Assignment of contract by Us	MFA § XVII (E)	No restriction on right to transfer.
k. “Transfer” by You-defined	MFA § XVI	Includes assignment of MFA, sale or merger of business entities, transfer of corporate stock, death of Master Franchise Owner, or majority owner of Master Franchise Owner.
l. Our approval of transfer by You	MFA § XVI (C)	We have the right to approve all transfers.
m. Conditions for Our approval of transfer	MFA § XVI (D)	Factors include proposed Master Franchise Owner must meet current standards, does not operate a similar business and signs, current form of MFA, and you pay to us a Transfer Fee of 10% of the then current Initial Master Franchise Fee, or \$10,000, whichever is greater
n. Our right of first refusal to acquire Your business	MFA § XVII (D)	We have the option to match any offer for your Master Franchised Business.
o. Our option to purchase Your business	MFA § XVII (D); and § XVIII (D)	Upon exercise of our right of first refusal; and upon termination of your franchise after default.
p. Your death or disability	MFA § XVII (C)	Franchise must be assigned by estate to approved buyer within 3 months.
q. Non-competition covenants during the term of the franchise	MFA § XI (C)	Beginning with the execution of the Master Franchise Agreement, you may not engage in a business offering similar products and services; and within a five-mile radius or another Mint Condition Master Franchise Business; and within five miles of any Mint Condition customer location.
r. Non-competition covenants after the franchise is terminated or expires	MFA § XI (C)	For two years after termination or termination of the Franchise Agreement for any reason, you may not engage in a business offering similar products and services; and within a five-mile radius or another Mint Condition Master Franchise Business; and within five miles of any Mint Condition customer location.
s. Modification of the agreement	MFA § XIII	Must be in writing by both sides.
t. Integration/merger clause	MFA § XIX (H)	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable State law). Any representations or promises outside of this disclosure document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	None	Not Applicable.
v. Choice of forum	MFA § XIX(I)	North Carolina (subject to applicable state law).
w. Choice of law	MFA § XIX(E)	North Carolina law applies generally, except for

Provision	Section in Franchise Agreement	Summary
		applicable franchise laws of other states.

## ITEM 18: PUBLIC FIGURES

We do not use any public figures to promote the sale of our franchises to prospective franchisees.

## ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing master franchisee's business 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 master franchise territory under particular circumstances.

These fees were reported to us for the fiscal year 2024. The financial information from our affiliate-operated Master Franchise Business located in Charlotte, North Carolina are collected from our own internal reporting of gross sales in the same manner as that obtained by the Master Franchise Owners set forth in the chart below. We have included the results of our Master Franchise Business that are owned and managed by us or our affiliate(s) with the results of the master franchises owned by individual Master Franchise Owners.

The operation of a Master Franchise that is owned by a Master Franchise Owner is operated in the same manner that we operate our master franchises. Our Master Franchise Owners account for the fees received by the Master Franchise Owner from the sale of Unit Franchises and their operations in the same manner as we do. Specifically, we account for our revenues for our master franchises in the same manner as our Master Franchise Owners. We also use the same methods as our Master Franchise Owners to solicit clients for unit franchisees.

We have grouped each Master Franchise Owner by the market in which it operates its Master Franchise Business. Each territory is granted to the Master Franchise Owner based on the population of the market granted.

STATEMENT OF GROSS PROFITS FOR MASTER FRANCHISEES IN DESIGNATED MARKETS SET FORTH BELOW. EACH MASTER FRANCHISE REPRESENTED BELOW HAS BEEN OPERATING FOR AT LEAST ONE YEAR, AND WE HAVE EXCLUDED THREE MASTER FRANCHISE WHICH HAS BEEN OPERATING FOR LESS THAN ONE YEAR AS OF DECEMBER 31, 2024. THE TABLE ALSO INCLUDES THE NUMBER OF ACTIVE FRANCHISES WITHIN THE TERRITORY OF A MASTER FRANCHISEE AND A CALCULATION OF THE GROSS PROFITS PER FRANCHISEE THAT THE MASTER FRANCHISEE REALIZED IN FISCAL YEAR 2024. WE HAVE ALSO INCLUDED THE AVERAGE OF THE GROSS PROFITS PER MASTER FRANCHISEE.

### System-Wide

	Total Gross Billings <sup>1</sup>	Total Service Revenue <sup>2</sup>	Total Service Revenue Fees <sup>3</sup>	Unit Franchise Fees <sup>4</sup>	Periodic Services Gross Profit <sup>5</sup>	Supplies Sales Gross Profit <sup>6</sup>	Total Gross Profit <sup>7</sup>
Charlotte, NC*	\$4,717,625	\$4,011,839	\$1,125,746	\$164,969	\$141,231	\$39,645	\$1,352,514
Atlanta, GA	\$2,642,697	\$2,294,725	\$580,069	\$59,595	\$79,623	\$34,497	\$753,784
Nashville/Chattanooga, TN	\$2,334,226	\$2,172,740	\$651,682	\$69,339	\$33,193	\$11,824	\$766,038
Raleigh, NC	\$2,307,230	\$1,989,695	\$548,707	\$60,535	\$6,972	\$52,030	\$668,244
Greensboro, NC	\$2,311,937	\$2,014,118	\$580,307	\$11,772	\$37,074	\$11,397	\$640,550

Lancaster, PA	\$1,681,433	\$1,615,518	\$357,342	\$79,653	\$19,775	\$0	\$456,770
Houston, TX	\$1,302,172	\$1,205,530	\$317,475	\$62,271	\$25,166	\$44	\$404,956
Greenville, SC	\$571,087	\$462,163	\$95,854	\$19,065	\$28,936	\$3,480	\$147,335
Jacksonville, FL	\$434,735	\$420,229	\$130,497	\$0	\$36,111	\$272	\$156,437
Salt Lake City, UT	\$399,353	\$379,228	\$97,599	\$13,400	\$3,566	\$2,294	\$116,859
Fort Lauderdale, FL	\$266,009	\$261,043	\$47,198	\$17,735	\$1,890	\$417	\$67,240
<b>Total</b>	\$18,968,504	\$16,826,828	\$4,532,476	\$558,334	\$413,536	\$155,900	\$5,530,727
<b>Average</b>	\$1,724,409	\$1,529,712	\$412,043	\$50,758	\$37,594	\$14,173	\$502,793
<b>Median</b>	\$1,681,433	\$1,615,518	\$357,342	\$59,595	\$28,936	\$3,480	\$456,770
<b>Percentage of Outlets that Met or Exceeded the Average</b>	45%	55%	45%	55%	18%	23%	45%

### Top 50%

	<b>Total Gross Billings<sup>1</sup></b>	<b>Total Service Revenue<sup>2</sup></b>	<b>Total Service Revenue Fees<sup>3</sup></b>	<b>Unit Franchisee Fees<sup>4</sup></b>	<b>Periodic Services Gross Profit<sup>5</sup></b>	<b>Supplies Sales Gross Profit<sup>6</sup></b>	<b>Total Gross Profits<sup>7</sup></b>
Charlotte, NC*	\$4,717,625	\$4,011,839	\$1,125,746	\$164,969	\$141,231	\$39,645	\$1,352,514
Atlanta, GA	\$2,642,697	\$2,294,725	\$580,069	\$59,595	\$79,623	\$34,497	\$753,784
Nashville/Chattanooga, TN	\$2,334,226	\$2,172,740	\$651,682	\$69,339	\$33,193	\$11,824	\$766,038
Raleigh, NC	\$2,307,230	\$1,989,695	\$548,707	\$60,535	\$6,972	\$52,030	\$668,244
Greensboro, NC	\$2,311,937	\$2,014,118	\$580,307	\$11,772	\$37,074	\$11,397	\$640,550
Lancaster, PA	\$1,681,433	\$1,615,518	\$357,342	\$79,653	\$19,775	\$0	\$456,770
<b>Total</b>	\$15,995,148	\$14,098,635	\$3,843,853	\$445,863	\$317,868	\$149,393	\$4,637,900
<b>Average</b>	\$2,665,858	\$2,349,773	\$640,642	\$74,311	\$52,978	\$24,899	\$772,983
<b>Median</b>	\$2,323,082	\$2,093,429	\$580,188	\$64,937	\$35,134	\$23,161	\$711,014
<b>Percentage of Outlets that Met or Exceeded the Average</b>	17%	17%	33%	33%	33%	50%	17%

### Bottom 50%

	<b>Total Gross Billings<sup>1</sup></b>	<b>Total Service Revenue<sup>2</sup></b>	<b>Total Service Revenue Fees<sup>3</sup></b>	<b>Unit Franchisee Fees<sup>4</sup></b>	<b>Periodic Services Gross Profit<sup>5</sup></b>	<b>Supplies Sales Gross Profit<sup>6</sup></b>	<b>Total Gross Profit<sup>7</sup></b>
Houston, TX	\$1,302,172	\$1,205,530	\$317,475	\$62,271	\$25,166	\$44	\$404,956
Greenville, SC	\$571,087	\$462,163	\$95,854	\$19,065	\$28,936	\$3,480	\$147,335
Jacksonville, FL	\$434,735	\$420,229	\$130,497	\$0	\$36,111	\$272	\$156,437
Salt Lake City, UT	\$399,353	\$379,228	\$97,599	\$13,400	\$3,566	\$2,294	\$116,859
Fort Lauderdale, FL	\$266,009	\$261,043	\$47,198	\$17,735	\$1,890	\$417	\$67,240
<b>Total</b>	\$4,654,789	\$4,343,711	\$1,045,965	\$192,124	\$115,443	\$6,507	\$1,349,597
<b>Average</b>	\$775,798	\$723,952	\$174,328	\$32,021	\$19,241	\$1,085	\$224,933
<b>Median</b>	\$502,911	\$441,196	\$114,048	\$18,400	\$22,470	\$345	\$151,886
<b>Percentage of Outlets that Met or Exceeded the Average</b>	39%	33%	33%	33%	67%	33%	33%

<sup>1</sup> Total Gross Billings includes, for the period of January 1, 2024, to December 31, 2024, all revenue for any cleaning or maintenance services, whether for contractual services, initial cleans, one-time cleaning services, extra work performed, and/or any other revenue related to, connected with, or derived from the provision of any janitorial, cleaning, and maintenance services, including commercial, industrial, institutional and other services,

whether such services are provided by the Unit Franchise Owners or sub-contractors. It also includes any sales of supplies, equipment, or other goods by the Master Franchisor.

<sup>2</sup> Total Service Revenue includes, for the period of January 1, 2024 to December 31, 2024, all revenue derived from the provision of any contractual janitorial, cleaning, and maintenance services, including commercial, industrial, institutional and other services, whether such services are provided by the Unit Franchise Owners or sub-contractors

<sup>3</sup> Total Service Revenue Fees is the total amount received by the Master Franchise Owner paid by its Unit Franchise Owners for Royalty Fees, Accounting Management Fees, Revenue Replacement Fees, Insurance Fees and Franchise Fees. On every transaction that a Unit Franchise Owner generates, the Master Franchise Owner will receive a Royalty Fee (9%), an Accounting and Management Fee (8%), an (optional) Revenue Replacement Fee (9%), and an (optional) Insurance Fee (4%).

<sup>4</sup> Unit Franchisee Fees include Initial Business Franchise Fees as well as (optional) Business Procurement Fees. Under the Unit Franchise Agreement, Master Franchise Owners may offer Unit Franchise Owners the opportunity to perform additional janitorial services to Master Franchise Owners' customers after the Initial Business obligation of Master Franchise Owners are fulfilled ("Additional Business"). In the event a Unit Franchise Owner accepts the Master Franchise Owner's offer of such Additional Business, the Unit Franchise Owner is required to pay a Business Procurement Fee calculated as twice the gross monthly revenues represented by the Additional Business, in addition to Royalty Fees, Revenue Replacement Fees (optional), Accounting-Cash Flow Assistance Plan and optional fees under the Insurance Plan on gross monthly revenues represented by the Additional Business.

<sup>5</sup> Periodic Services Gross Profit includes, for the period of January 1, 2024 to December 31, 2024, all billable and contractual periodic revenue, less the direct expenses paid to Unit Franchise Owners, sub-contractors, and/or other vendors for services and/or floorwork supplies.

<sup>6</sup> Supplies Sales Gross Profit includes, for the period of January 1, 2024 to December 31, 2024, all customer billable and contractual supplies revenue, less the direct expenses paid to vendors for those supplies. It does not include the initial equipment package (see Item 7, Note 4 in Unit Franchise FDD) nor any supplies provided to Unit Franchise Owners.

<sup>7</sup> Total Gross Profit is the sum of the Total Service Revenue Fees, Franchisee Fees, Periodic Services Gross Profit, and Supplies Sales Gross Profit. Total Gross Profit does not include any sales taxes that may be required to be paid, depending upon the market where the Master Franchise is located, nor does it reflect the payment of any fees paid to the Franchisor or the Master Franchise Owner's annual administrative expenses in operating its Master Franchise.

In this table we included both our company owned master franchises as well as master franchises that are owned by individual master franchisees. Our company owned master franchises are noted by \* and are located in the Charlotte, North Carolina market.

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

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

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet (location), however, we may provide you with the actual records of that outlet (location). If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Jack Saumby, 1057 Red Ventures Drive, Suite 165, Fort Mill, South Carolina 29707, 804-548-6121, the Federal Trade Commission and the appropriate state regulatory agencies.

## **ITEM 20: OUTLET AND FRANCHISEE INFORMATION**

**Table No. 1**  
**System-wide MASTER Franchise Business Outlet Summary**  
**For Fiscal Years Ending 2022, 2023 and 2024\*(1)(2)**

(Column 1) Outlet Type	(Column 2) Year	(Column 3) Outlets at the Start of the Year	(Column 4) Outlets at the End of the Year	(Column 5) Net Changes
<b>Franchised Owned</b>	2022	10	10	0
	2023	10	10	0
	2024	10	14	+4
<b>Company-Operated</b>	2022	1	1	0
	2023	1	1	0
	2024	1	1	0
<b>Total Outlets</b>	<b>2022</b>	<b>11</b>	<b>11</b>	<b>0</b>
	<b>2023</b>	<b>11</b>	<b>11</b>	<b>0</b>
	<b>2024</b>	<b>11</b>	<b>15</b>	<b>+4</b>

\*All Master Franchise Businesses were our direct franchisees.

1. This table includes all Master Franchises of Franchisor, Mint Condition Franchise Group, LLC.
2. "Company-operated" in this table refers to the Master Franchise business directly operated by Franchisor.

**Table No. 2**  
**Transfers of Master Franchised Businesses Outlets from Master**  
**Franchisees to New Owners (other than the Franchisor)**  
**For Fiscal Years Ending 2022, 2023 and 2024**

(Column 1) State	(Column 1) Year	(Column 1) Number of Transfers
Texas	2022	1
	2023	0
	2024	0
<b>Totals</b>	<b>2022</b>	<b>1</b>
	<b>2023</b>	<b>0</b>
	<b>2024</b>	<b>0</b>

**Table No. 3**  
**Status of Master Franchise Businesses Outlets**  
**For Fiscal Years Ending 2022, 2023 and 2024\***

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired By Franchisor	Ceased Operation- other reasons	Outlets at End of Year
Arizona	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Florida	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Georgia	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Kansas	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Missouri	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	0
North Carolina	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Pennsylvania	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
South Carolina	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Tennessee	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Texas	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
Utah	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
<b>TOTAL</b>	<b>2022</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10</b>
	<b>2023</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10</b>
	<b>2024</b>	<b>10</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14</b>

\*All Master Franchise Businesses were our direct franchisees.

**Table No. 4**  
**Status of Company-Operated Master Franchise Business Outlets**  
**For Fiscal Years Ending 2022, 2023 and 2024**

(Col. 1) State	(Col. 2) Year	(Col. 3) Outlets at Start of Year	(Col. 4) Outlets Opened	(Col. 5) Outlets Reacquired From Franchisee	(Col. 6) Outlets Closed	(Col. 7) Outlets Sold to Franchisee	(Col. 8) Outlets at End of Year
-------------------	------------------	--------------------------------------	----------------------------	--	----------------------------	--	------------------------------------

North Carolina	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Total	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1

**Table No. 5**  
**Projected Master Franchise Business Openings as of end of fiscal year 2024**

State	Master Franchise Agreements Signed But Outlet Not Opened	Projected New Master Franchises In The Next Fiscal Year	Projected Master Company-Operated Outlet In The Current Fiscal Year
Florida	0	1	0
Michigan	0	1	0
Minnesota	0	1	0
Texas	0	1	0
<b>TOTAL</b>	<b>0</b>	<b>4</b>	<b>0</b>

A list of the names of all Franchise Owners are listed on Exhibit D to this disclosure document.

**Master Franchised Business Owners – Terminated, Canceled, Not Renewed, or Voluntarily or Involuntarily Ceased to do Business**

In addition, during the most recently completed fiscal year, there have been no *Master Franchised Business Owners of Franchisor* that have had a Franchised Business terminated, canceled, not renewed, or has otherwise voluntarily or involuntarily ceased to do business:

***NONE***

We have not had communication with the following franchisees during the ten weeks preceding the Franchise Disclosure Document issuance date: None.

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 and any of our master franchisees have not signed confidentiality agreements with any of our current or former franchisees.

There are no franchise associations in the Mint Condition franchise system.

**ITEM 21: FINANCIAL STATEMENTS**

Attached to this disclosure document as Exhibit C are our audited fiscal year end financials for 2022, 2023, and 2024. Our fiscal year end is December 31.

**ITEM 22: CONTRACTS**

The following contracts are attached as exhibits to this disclosure document:

Exhibit B	Master Franchise Agreement, Attachments 1-6;
Exhibit B-1	Individual Franchise Agreement Template, Schedules 1-6;

### **ITEM 23: RECEIPT**

You will find two copies of a detachable receipt in **Exhibit “I”** at the very end of this disclosure document. Please sign and date both acknowledging receipt of this disclosure and return one of them to us for our files.

## EXHIBIT A

### AGENCIES/AGENTS FOR SERVICE OF PROCESS

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process.

State	State Agency	Agent for Service of Process
CALIFORNIA	Commissioner of the Department of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4 <sup>th</sup> Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll-free (866-275-2677)	Commissioner of the Department of Financial Protection and Innovation
CONNECTICUT	State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	Banking Commissioner
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau

State	State Agency	Agent for Service of Process
MINNESOTA	Minnesota Department of Commerce 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21 <sup>st</sup> Floor New York, NY 10005 (212) 416-8222 Phone	Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6 <sup>th</sup> Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard State Capitol, 14 <sup>th</sup> Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
OREGON	Department of Consumer and Business Services Division of Finance and Corporate Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Director of the Department of Consumer and Business Services
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of Insurance-Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9 <sup>th</sup> Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1 <sup>st</sup> Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, WA 98504-1200 (360) 902-8760	Director of Washington Financial Institutions Securities Division 150 Israel Road, SW Tumwater, WA 98501
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

**EXHIBIT B**

**MINT CONDITION FRANCHISE GROUP, LLC.**

**MASTER FRANCHISE AGREEMENT**

**MINT CONDITION FRANCHISE GROUP, LLC**

**MASTER FRANCHISE AGREEMENT**

## TABLE OF CONTENTS

I.	PARTIES .....	2
II.	RECITALS .....	2
III.	GRANT OF MASTER FRANCHISE .....	2
IV.	TERM AND SUCCESSOR AGREEMENTS .....	4
V.	SERVICES TO MASTER FRANCHISE OWNER .....	5
VI.	PAYMENTS BY MASTER FRANCHISE OWNER .....	11
VII.	OBLIGATIONS OF MASTER FRANCHISE OWNER .....	15
VIII.	FRANCHISE LAWS .....	23
IX.	RELATIONSHIP OF PARTIES .....	25
X.	CONFIDENTIALITY OF PROPRIETARY INFORMATION .....	25
XI.	COVENANTS .....	26
XII.	NO SOLICITATION .....	28
XIII.	MODIFICATION .....	28
XIV.	SEPARATE AGREEMENTS .....	29
XV.	INDEMNIFICATION .....	29
XVI.	TRANSFER OF MASTER FRANCHISE AGREEMENT .....	29
XVII.	WAIVERS OF SOME CONDITIONS UPON CERTAIN TYPES OF TRANSFERS .....	31
XVIII.	TERMINATION OF MASTER FRANCHISE AGREEMENT .....	32
XIX.	ENFORCEMENT .....	36
XX.	CONSTRUCTION OF MASTER FRANCHISE AGREEMENT .....	37
XXI.	NOTICES .....	38
XXII.	APPROVAL AND GUARANTEES .....	38
XXIII.	ACCEPTANCE BY FRANCHISOR .....	38
XXIV.	VARYING STANDARDS .....	38
XXV.	SUCCESSORS .....	38
XXVI.	INVALIDITY OF PART OF AGREEMENT .....	38
XXVII.	EFFECT OF WAIVERS .....	39
XXVIII.	CONSENT TO DO BUSINESS ELECTRONICALLY. ....	39
XXIX.	SPECIAL REPRESENTATIONS .....	39

### **ATTACHMENTS:**

1. Terms
2. Guaranty of Master Franchise Owner's Undertakings
3. Confidentiality and Nondisclosure Agreement
4. Non-Disclosure and Non-Competition Agreement
5. Agreement for Assignment of Office Lease
6. Successor Agreement Addendum to Franchise Contract

### **EXHIBIT:**

- B-1 Individual Franchise Agreement Template

**MINT CONDITION FRANCHISE GROUP, LLC**

**MASTER FRANCHISE AGREEMENT**

Master Franchise Owner(s) Name: \_\_\_\_\_  
Street: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Effective Date of Agreement: \_\_\_\_\_

THIS MASTER FRANCHISE AGREEMENT ("Agreement") is made this \_\_\_\_\_  
\_\_\_\_\_ by and between **Mint Condition Franchise Group, LLC**, a South Carolina Corporation  
(hereinafter known as "Franchisor" or "the Company"), and the persons listed above and referenced to herein  
individually or collectively as "Master Franchise Owner" to evidence the agreement and understandings between  
the parties as follows:

WHEREAS, Franchisor, under its trade names, trademarks, logos and service marks (the "Proprietary  
Marks") has developed expertise (including confidential information) and a unique and comprehensive system  
(the "System") for the promotion and identification of the mark "Mint Condition" for the sale of products and  
services within territories (the "Mint Condition Master Franchise Business" or the "Master Franchise Business");  
and

WHEREAS, the Master Franchise Owner shall operate the Master Franchise Business from a location  
that must be pre-approved by the Franchisor (the "Approved Location"); and

WHEREAS, Franchisor has developed, operates and licenses a system or business program, including  
know-how for operating the Franchisor's System under the registered mark "Mint Condition"; and

WHEREAS, Franchisor has developed a uniform System for the establishment and operation of Mint  
Condition Master Franchise Businesses including unique techniques, materials for preparation and other related  
benefits for use by Master Franchise Owner under the Proprietary Marks; and

WHEREAS, Franchisor has established substantial goodwill and business value in its Proprietary Marks,  
expertise and System; and

WHEREAS, Master Franchise Owner recognizes the benefits to be derived from being identified with  
and licensed by Franchisor; and

WHEREAS, Master Franchise Owner desires to obtain a Master Franchise from Franchisor for the right  
to use the Proprietary Marks and the expertise for operating a Mint Condition Master Franchise Business and to  
obtain the benefits and knowledge of Franchisor's System including, without limitation, operating methods,  
advertising, signs, control systems, and in general a style, method and procedure of business operation utilizing  
the Proprietary Marks as a Master Franchise Owner of Mint Condition.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES AND COVENANTS  
SET FORTH, SUBJECT TO THE TERMS AND CONDITIONS HEREOF, THE PARTIES AGREE AS  
FOLLOWS:

## I. **PARTIES**

This Agreement is made as of the Effective Date (defined below) by and between **Mint Condition Franchise Group, LLC**, a South Carolina corporation doing business as Mint Condition (“Franchisor” or “the Company”), having its principal office at 1057 Red Ventures Drive, Suite 165, Fort Mill, South Carolina 29707, and the undersigned Master Franchise Owner (“Master Franchise Owner”) whose full name and address are set forth in Attachment “1” to this Agreement.

For the purposes of this Agreement, the term “Related Party” means: (a) people and entities who are Substantial Owners of the Master Franchise Owner; (b) entities in which Master Franchise Owner has a direct or indirect Substantial Interest; or (c) entities which have a direct or indirect Substantial Interest in Master Franchise Owner.

For the purposes of this Agreement, the term “Substantial Interest” means the direct or indirect ownership or control of 10% or more of the Master Franchise Owner.

For the purposes of this Agreement, the term “Substantial Owner” means each of the officers, general partners, trustees or managing members of the Master Franchise Owner, and each holder of a Substantial Interest in the Master Franchise Owner.

## II. **RECITALS**

### A. **Ownership of System**

Franchisor is the owner of certain intellectual property rights, including Franchisor’s Trade Name “Mint Condition” and the Mark “Mint Condition” and design. Franchisor and its Affiliates have spent a considerable amount of time, effort and money to devise, and continue to develop business methods, technical knowledge and marketing concepts including, but not limited to, commercial ideas, advertising materials, marketing strategies, information on sources of supply, administrative procedures, business forms and distinctive signage for the operation of commercial janitorial and other facility services businesses. These techniques and ideas are combined to form a franchising concept in the janitorial contract services field. This proprietary concept highly motivates individual Janitorial Franchise Owner(s), enabling the Franchisor, its Affiliates and their Master Franchise Owners to provide high quality commercial janitorial and other facility services to their customers at competitive prices.

### B. **Objectives of Parties**

Franchisor wishes to grant to Master Franchise Owner and Master Franchise Owner wishes to accept from Franchisor a Master Franchise to procure and assist Janitorial Franchise Owners, using Franchisor’s Proprietary Marks and System, upon the terms and conditions set forth in this Agreement.

## III. **GRANT OF MASTER FRANCHISE**

### A. **Granting Clause**

Franchisor hereby grants to Master Franchise Owner and Master Franchise Owner hereby accepts from Franchisor a Master Franchise to offer, grant and provide services to Janitorial Franchise Owners, and to solicit and contract with janitorial customers to be provided janitorial services by Janitorial Franchise Owners, all within an exclusive territory (the “Territory”), using the Trade Name, Proprietary Marks and

System in accordance with the terms of this Agreement. Master Franchise Owner may not solicit, contract with, or provide services to any Janitorial Franchise Owner or Janitorial Customer located outside the Territory. Franchisor reserves all rights in the Trade Name, Proprietary Marks and System not expressly granted in this Agreement.

B. Territorial Rights

1. Restrictions on Franchisor

For so long as this Agreement is in effect and Master Franchise Owner and its Related Parties are in Good Standing, then except as set forth elsewhere in this Agreement, neither Franchisor nor any of its Affiliates will do any of the following:

- a. Offer or sell Mint Condition Janitorial Franchise Agreements, or solicit or provide services for Janitorial Customer accounts, in the Territory;
- b. License any other Master Franchise Owner to offer or sell Mint Condition Janitorial Franchise Agreements, or solicit or provide services for Janitorial Customer accounts, except for National Accounts, in the Territory;
- c. Sell products or services to Janitorial Franchise Owner or Janitorial Customers within the Territory without first offering Master Franchise Owner the opportunity to do so; if Master Franchise Owner declines the opportunity, then Franchisor and/or its Affiliates or other Master Franchise Owners may make such sales; or
- d. Engage in any of the activities prohibited above under a different name or trade name.

For the purposes of this Agreement, the term “Good Standing” means timely compliance by the Master Franchise Owner and its Related Parties with all provisions of this Agreement and the Franchisor’s Manuals.

2. Regional and National Accounts Customers

Franchisor may enter into agreements with commercial Janitorial Customers to provide janitorial services for offices and/or other commercial premises located both within and outside the Territory (“Regional Accounts” or “National Accounts”). Franchisor will offer Master Franchise Owner the first right to have its Janitorial Franchise Owners provide the contracted services to any National Account premises located within the Territory. If Master Franchise Owner and/or its Janitorial Franchise Owner are unwilling or unable to service the National Account upon the agreed terms, Franchisor may service that account itself or through other Mint Condition Master Franchise Owners or independent contracts, without any payment to Master Franchise Owner.

3. Reservation of Rights

Except as otherwise expressly provided in this Agreement, we and our Affiliates reserve all of our respective rights and discretion with respect to the Proprietary Marks, the System, and your Business anywhere in the world and the right to engage in any business whatsoever, including: (a) the right to operate, and grant to others the right to operate or establish others to operate a Mint Condition business within such territories and on such terms and conditions as we deem

appropriate, that are outside the Territory set forth in this Agreement; (b) the right to operate, and grant to others the right to operate the same business as you in all territories, including your Territory, but not using the Mint Condition name in such territories; (c) the right to acquire, merge or consolidate with, be acquired by, operate and expand businesses; and (d) to offer the same or similar products and/or services that you are authorized within in your Territory through other channels of distribution, including, but not limited to internet offered services. We have no current intention to offer other channels of distribution within your Territory, but we reserve the right to offer other channels of distribution using our Proprietary Marks in the Territory without compensation to you.

#### IV. **TERM AND SUCCESSOR AGREEMENTS**

##### A. Initial Term

The initial term of the Master Franchise will begin on the Effective Date noted on Attachment “1” which will be the first Monday after the first week of initial training, and continue for a period of 10 years, subject to the termination provision as set forth in the Agreement. Notwithstanding anything stated in the foregoing, at the time that you execute this Agreement you will be required to abide by all of the confidentiality provisions set forth in this Agreement.

##### B. Successor Agreement

Master Franchise Owner will have the option to enter into a Successor Agreements. Each Successor Agreement is for an additional term of 10 years and is on the same terms and conditions as those on which Franchisor is customarily granting new Master Franchises at the time of term expiration, subject to the following terms and conditions at the time of each Successor Agreement:

1. Master Franchise Owner and its Related Parties are in Good Standing under this Agreement, and all other agreements with Franchisor or any Affiliate of Franchisor;
2. Master Franchise Owner and its Substantial Owners who have signed the then existing Agreement and/or its Attachments must sign copies of the new Master Franchise Agreement and its attachments not less than 30 days prior to the expiration of the then existing Agreement or 30 days after Master Franchise Owner receives copies of the new documents from Franchisor, whichever is later;
3. Master Franchise Owner shall take all steps necessary to ensure that the Approved Location and the equipment, furniture and fixtures at the Approved Location meet the Franchisor’s current standards, as set-forth in the Franchisor’s Master Franchise Manual(s);
4. Master Franchise Owner has renewed or has the right to renew the lease for the Approved Location, or a different office approved by Franchisor;
5. Master Franchise Owner and its Substantial Owners have signed a general release of claims in a form satisfactory to Franchisor with respect to past dealings with Franchisor and its Affiliates; and
6. Master Franchise Owner shall pay to the Franchisor a Successor Agreement fee of 10% of the then current Initial Master Franchise Fee being charged by the Franchisor in its then

current Master Franchise Agreement.

Master Franchise Owner understands that the terms of the standard Master Franchise Agreement in use by Franchisor at the times of term expiration may contain materially different terms than those contained in this Agreement, including, but not limited to, increased Royalties and National Advertising Fund contributions, and a change in the description of your Territory.

V. **SERVICES TO MASTER FRANCHISE OWNER**

In addition to its obligations specified elsewhere in this Agreement, Franchisor agrees to perform the following services for Master Franchise Owner, at locations selected by Franchisor, provided that Master Franchise Owner and its Related Parties are, at the time when service is to be rendered, in Good Standing under this Agreement and all other agreements with Franchisor and its Affiliates:

A. **Business Premises**

Franchisor will advise Master Franchise Owner in selecting an office site for the Master Franchise Business, space planning, constructing tenant improvements, and furnishing and equipping its business premises. The Business Premises will be used to meetings with potential unit franchisees and Master Franchise Owner is required to be able to take these meetings privately. Franchisor will not approve a home address or P.O Box as a Business Premises.

B. **Master Franchise Manuals**

1. **Master Franchise Manual**

Franchisor will lend Master Franchise Owner a “Master Franchise Manual” containing information on marketing, management and administration methods developed by Franchisor for use in the Master Franchise Business, including, but not limited to, material on sales and marketing of Janitorial Franchise Agreements, the current form of Janitorial Franchise Agreement used by Franchisor, solicitation of Janitorial Customers, operation of the Master Franchise Business, and use of the Mint Condition Customized Software System, and other information that Franchisor believes will be necessary or helpful to Master Franchise Owner in its operation of the Master Franchise Business. Franchisor may revise the Master Franchise Manual periodically to conform to the changing needs of the Franchise Network and will distribute up-dated pages containing these revisions to Master Franchise Owner.

2. **Janitorial Operations Manual**

Franchisor will furnish to Master Franchise Owner a prototype copy of the Mint Condition Operations Manual for Janitorial Franchise Owners (the “Janitorial Operations Manual”). Franchisor may revise and update the Janitorial Operations Manual periodically. Master Franchise Owner will provide copies of the Janitorial Operations Manual to each of its Janitorial Franchise Owner and will provide updates to Janitorial Franchise Owner promptly upon receipt from Franchisor.

C. **Training**

1. **Initial Training and Pre-Opening Assistance**

- a. Franchisor will provide a training program concerning the operation of the Mint Condition Master Franchise Business consisting of up to 10 business days of training at the Franchisor's Office and/or an existing Master Franchise Business, and up to 5 business days at the Master Franchise Owner's Mint Condition Master Franchise Business and/or the site of Master Franchise Owner's customer (s) locations. The Franchisor and Master Franchise Owner will mutually select the exact days of the training program. Master Franchise Owner will attend such training program at no charge to the Master Franchise Owner. Master Franchise Owner will be responsible for any travel, lodging, meals or other costs for the attendee(s) of the training program at the Mint Condition Home Office Master Franchise Business, and/or an existing location. Franchisor will pay its own out-of-pocket expenses for training at the Master Franchise Owner's Master Franchise Business and/or its customer site(s). Master Franchise Owner must attend the training sessions. Satisfactory completion of all mandatory training sessions is required. Failure to do so may result in a breach of this Agreement and termination hereof.
- b. Franchisor may conduct additional seminars or other training programs for the benefit of the Master Franchise Owner, and Master Franchise Owner (and/or Master Franchise Owner's employees) shall attend any such seminar or program. Franchisor may charge a reasonable fee for such seminar or program if it is deemed appropriate. Any and all travel, living and other expenses incurred by employees of Master Franchise Owner attending such training shall be paid by Master Franchise Owner.
- c. Master Franchise Owner may make reasonable requests for training in addition to that specified above, and Franchisor shall, in its sole discretion, provide such training at Master Franchise Owner's expense, including, without limitation, any travel, lodging and meals and other related costs. Franchisor may charge a reasonable fee for such additional training, if such additional training is provided.
- d. Master Franchise Owner shall complete and shall cause its employees to complete, to Franchisor's satisfaction, such other initial or additional training as Franchisor may reasonably require from time to time.
- e. Master Franchise Owner may not open his or her Mint Condition Master Franchise Business without Franchisor's prior written approval and only after Master Franchise Owner has completed his or her initial training to Franchisor's satisfaction and only after compliance with Franchisor's other pre-opening requirements.
- f. Franchisor may assist Master Franchise Owner with the purchase of the initial inventory for the Master Franchise Business.

## 2. Continuing Education

Franchisor may conduct additional seminars or other training programs for the benefit of the Master Franchise Owner, and Master Franchise Owner (and/or Master Franchise Owner's employees) shall attend any such seminar or program. Franchisor may charge a

reasonable fee for such seminar or program.

D. Computer Software

1. Master Franchise Owner must acquire at its expense, by license or usage agreement, all third-party internet service programs and software designated by Franchisor (“Software”). In addition, throughout the term of this Agreement Master Franchise Owner shall be required to use, and as designated by Franchisor, acquire such internet or software programs as Franchisor may require in the operation of a Mint Condition Master Franchise Business. Some required software may be proprietary to Franchisor. Master Franchise Owner agrees that it acquires no title or ownership in the Software except a licensed right of use subject to the terms of third-party licensors, and that any proprietary program or internet service shall be owned by Franchisor or such third-party that has an interest in the program. Master Franchise Owner shall receive only the nonexclusive license to use the Software in the operation of the Master Franchise Business, subject to the terms and conditions of this Agreement, including all of the following terms and conditions:
2. Master Franchise Owner will use the Software solely with computer hardware systems and other software programs specified from time to time in the Master Franchise Manual, and solely at the Approved Location, or other Locations approved by Franchisor.
3. Master Franchise Owner will make no copies of the Software. Master Franchise Owner will not create by recompilation or otherwise, the source code programs or any parts thereof from the object code program or from other information made available under this Agreement. Master Franchise Owner will not make the Software available to any person or entity, other than to its employees who require access to the Software in order to perform their normal employment duties for Master Franchise Owner.
4. Master Franchise Owner will make no changes or modifications to the Software, except with the prior written consent of Franchisor, which consent may be granted or withheld for any reason, or for no reason, at the sole and exclusive discretion of Franchisor.
5. Franchisor may periodically require Master Franchise Owner to utilize revised, updated, or enhanced proprietary computer software, user’s manuals, or internet services, as the same may be developed or acquired by Franchisor. Any new software and user’s manuals will be deemed to be part of the Software. Any program or internet service designated by Franchisor may be at Master Franchise Owner’s cost. Unless such revised, updated or enhanced Software requires Master Franchise Owner to upgrade its computer hardware system, Master Franchise Owner will install or acquire the new Software within 5 business days after receiving it. If the enhanced Software requires Master Franchise Owner to upgrade its computer hardware, Master Franchise Owner shall do so, at its own expense, and install or acquire the new Software within 30 days after receiving it. Immediately after completing such installation or acquisition, Master Franchise Owner will return to Franchisor all copies of all prior editions of the Software.
6. Any and all customer data collected or provided by Master Franchise Owner, retrieved from Master Franchise Owner’s Computer System, or otherwise collected from Master Franchise Owner by Franchisor or provided to Franchisor, is and will be owned exclusively by Franchisor and will be considered to be Franchisor’s proprietary and Confidential Information. Franchisor has the right to use such data in any manner without

compensation to Master Franchise Owner. Franchisor licenses to Master Franchise Owner the use of such data solely for the purpose of operating the Franchised Business; provided that, this license shall automatically and irrevocably terminate, without any additional action or notice required by Franchisor, upon the expiration or earlier termination of this Agreement.

E. Software's Limitation on Warranty

1. To the extent Franchisor provides any of the Software or provides access to Software to Master Franchise Owner, the Software will be provided to Master Franchise Owner "As Is" without warranty of any kind, either express or implied, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose, except only with respect to any warranties provided directly by a third party licensor to Master Franchise Owner.
2. Franchisor does not warrant that the functions contained in the Software will meet Master Franchise Owner's requirements or that the operation of the Software will be uninterrupted or error free.

F. Advertising

1. Materials

Franchisor will prepare and provide to Master Franchise Owner formats for advertising and promotional materials for use both in marketing for Janitorial Franchise Agreements within the Territory and in attracting prospective customers for commercial janitorial services. Master Franchise Owner must submit to Franchisor, at least 30 days in advance, for Franchisor's prior written approval, samples of all advertising and promotional plans and materials that Master Franchise Owner desires to use and that have not been prepared or previously approved by Franchisor.

2. National Advertising Fund

Master Franchise Owner agrees to contribute to a national advertising fund (the "National Fund") .75% of Master Franchise Owner's monthly Gross Revenue, as defined below, subject to increases, in Franchisor's sole discretion, up to 2% of Master Franchise Owner's monthly Gross Revenue. Contributions to the National Fund are due and payable at the same time and in the same manner as the Royalty Fees.

The National Fund is intended to develop and conduct System-wide advertising and promotional campaigns as Franchisor deems appropriate through this fund, with absolute discretion over the creative concepts, materials and media used in such programs. At such time that we initiate the National Fund we will administratively segregate the advertising contributions made by Master Franchisee and other Mint Condition master franchisees on Franchisor's books and records, but we may commingle the funds received with other funds, which belong to Franchisor. Franchisor will use the advertising contributions that you and other master franchisees make when required to do so to conduct advertising and marketing as set forth below and to help defray the cost of such advertising and promotion, whether prepared and/or placed on a national or local level and including reasonable charges for administering the National Fund created by such contributions.

Franchisor undertakes no obligation to ensure that any particular master franchisee, including Master Franchisee, benefits directly or pro rata from the placement of any such advertising, nor does Franchisor undertake to make expenditures on account of advertising equivalent or proportionate to the amounts paid by Franchisee to Franchisor. Any advertising contributions of Master Franchisee, which have not been allocated by Franchisor for use in the calendar year within which they are made, will be kept for use in the subsequent year. The Fund may be used for the items set forth below and managed in a manner also as set forth below:

- a) You agree that the National Fund may be used to meet any and all costs of maintaining, administering, directing, preparing and placing advertising, marketing, promotional and public relations materials and programs relating to the Mint Condition concept and business (including, without limitation, developing and maintaining a website, the cost of preparing and conducting television, radio, magazine, billboard, newspaper, direct mail and other media programs and activities, for conducting marketing surveys, test marketing, employing advertising agencies to assist therewith, and providing promotional brochures, coupons and other marketing materials to all franchisees of the System). We may also use money from the National Fund to pay any and all costs of marketing seminars and training programs, market research, search engine optimization, social media initiatives and to maintain our Website. The National Fund shall not be used to defray any of our general operating expenses, except that we have the right to reimburse ourselves out of the National Fund for the total costs (including indirect costs) of developing, producing and distributing any advertising materials and collecting the Marketing Fees (including attorneys', auditors' and accountants' fees and other expenses incurred in connection with collecting any Marketing Contributions). We maintain no fiduciary obligation with respect to the administration of the National Fund. Our obligations to administer and operate the National Fund is set forth in this Agreement;
- b) An unaudited statement of the operations of the National Fund shall be prepared annually by our accountants and shall be made available to you on written request. The cost of the statement shall be paid by the National Fund. Except as expressly provided in this Section 5.1, we assume no direct or indirect liability or obligation to you with respect to the maintenance, direction or administration of the National Fund;
- c) Neither We nor our affiliates shall, be required to make contributions to the National Fund as is required to be contributed by master franchisees generally within the System; and
- d) Any monies remaining in the National Fund at the end of any year will carry over to the next year.

3. Advisory councils

We have the right to form one or more advisory councils to advise us and work with us to improve the System, including advertising, methods of operations, new products and services, and other matters. If we elect to form an advisory council, it will be made up of

our representatives and franchisee representatives. The franchisee representatives may be chosen by us or may be elected by other franchisees in the System. If formed, the advisory council will act in an advisory capacity only and will not have decision making authority. We reserve the right to form, change, merge or dissolve any advisory council at any time. If you participate on any advisory council, you understand and acknowledge that unless we decide otherwise, you will pay any expenses you incur related to such participation including, without limitation, travel and living expenses to attend advisory council meetings.

G. Supplies

1. Initial Supplies

Before Master Franchise Owner begins business, Franchisor will provide Master Franchise Owner with the following package of initial office and business supplies:

Quantity   Description

1	Set of Training and Cleaning Videos
1	Master Set of Office Forms

2. Additional Supplies

Franchisor may make certain additional supplies of brochures, videos and/or forms available from time to time for purchase by Master Franchise Owner at Franchisor's cost plus a reasonable mark-up of such costs. Franchisor is not obligated to provide such additional supplies, and Master Franchise Owner will not be obligated to purchase them.

3. Suppliers

Franchisor will assist Master Franchise Owner in compiling a list of names and addresses of suppliers of goods and services who meet Franchisor's standards and specifications. In assisting Master Franchise Owner in this manner, Franchisor expressly disclaims any warranties or representations as to the condition of the goods or services sold by such suppliers, including, without limitation, expressed or implied warranties as to merchantability or fitness for any intended purpose. Master Franchise Owner agrees to look solely to the manufacturer of goods or the supplier of services for the remedy for any defect in the goods or services.

4. Employee Recruitment

Franchisor will advise Master Franchise Owner in regard to recruitment and selection of initial employees.

5. Continuing Assistance

In addition to the assistance rendered to the Master Franchise Owner prior to opening, Franchisor will provide continuing consultation and advice regarding the Franchised

Business. Such consultation and advice may include, but not be limited to operational, sales and marketing matters, type of products and services offered and operation of the Mint Condition Master Franchise Business. Franchisor will provide such assistance by telephone, or if the situation warrants, through on-site assistance of appropriate Franchisor personnel.

## VI. PAYMENTS BY MASTER FRANCHISE OWNER

### A. Initial Master Franchise Fee

#### 1. Amount

Master Franchise Owner shall pay Franchisor an Initial Master Franchise Fee (the “Initial Fee”) in the amount set forth in Attachment “1” to this Agreement. At the time Franchisor executes this Agreement, Master Franchise Owner must pay the Initial Fee in full in immediately available funds. **The Initial Fee is fully earned at the time this Agreement is signed and is not refundable under any circumstances.**

### B. Franchise Sales of Individual Janitorial Franchise Agreements

Master Franchise Owner agrees to pay to Franchisor a Royalty Fee calculated at the time of each sale of a Janitorial Franchised Business in the amount of eight percent of the total cash payment of the franchise sale of each unit to a Janitorial Franchise Owner including Initial Franchise Fees as well as deferred down payments and upgrades through the Business Procurement Fee. If any part of the Franchise Fee to be paid by a Janitorial Franchise Owner is financed, a Placement Fee in the amount of 8% shall be due to Franchisor on the total monthly note payments, including any interest charged on the financing thereof. In addition, Master Franchise Owner agrees to pay to Franchisor a Royalty Fee in the amount of eight percent for any Successor Agreement Fees and Transfer Fees paid by its Janitorial Franchise Owners. The royalty payable on any franchise sold shall be paid to Franchisor by the 20<sup>th</sup> day of the following month from the date the Janitorial Franchise Agreement is signed.

### C. Percent of Gross Revenues

In addition, Master Franchise Owner shall pay to Franchisor a Royalty Fee equal to the greater of 4% of the Gross Revenues, as defined below, collected by Master Franchise Owner and the Minimum Royalty Fee described below.

The Royalty Fee payable for all Gross Revenues collected by Master Franchise Owner, as defined in this Agreement, shall be paid to Franchisor by the 20<sup>th</sup> day of the following month, after the Effective Date of this Agreement. The Manual may contain additional policies and requirements regarding the method or form of payment.

The minimum Royalty Fee for the term of this Agreement is as follows:

	Months							
<b>Territory Size</b>	<b>0-6</b>	<b>7-12</b>	<b>13-24</b>	<b>25-36</b>	<b>37-48</b>	<b>49-60</b>	<b>61-72</b>	<b>73-120</b>
<b>0-2 Million Population</b>	\$0	\$400	\$1,000	\$1,500	\$2,250	\$3,000	\$3,750	\$4,500
<b>+2 Million Population</b>	\$0	\$600	\$1,500	\$2,250	\$3,375	\$4,500	\$5,625	\$6,750

This Royalty Fee shall be paid by the 20th day of each month for revenues collected in the previous month.

D. Definition of Gross Revenues

The term "Gross Revenues" as may be defined further in the Manual, means all income for any cleaning or maintenance services, whether for contract services, sales of supplies, equipment or other goods; initial cleans; one-time cleaning services; extra work performed; and any other revenue related to, connected with or derived from the provision of any janitorial, cleaning and maintenance services, including commercial, industrial, institutional and services, whether such services are provided by Master Franchise Owner or its Janitorial Franchise Owners.

E. Reports

Master Franchise Owner will submit to Franchisor with each Royalty payment a monthly statement of Gross Revenues and other data in the form specified in the Master's Franchise Manual.

F. Marketing for Individual Franchise Owners

1. Master Franchise Owner shall create a marketing plan in order to recruit qualified Janitorial Franchise Owners. Master Franchise Owner shall place advertising in any media it desires, provided that such advertising conforms to the standards and requirements of the Company as set forth in the Company's Manual, or otherwise designated by Franchisor. Master Franchise Owner agrees to submit such marketing plan to the Company at least once every 12 months during the term of this Agreement.
2. Master Franchise Owner may not advertise his or her Master Franchise Business in connection with any other business, except with the Company's prior written approval. Master Franchise Owner shall obtain the Company's prior approval of all advertising and promotional plans and materials relating to the recruitment of qualified Janitorial Franchise Owners that Master Franchise Owner desires to use at least 30 days before the start of any such plans unless such plans and materials have been previously approved by the Company. Master Franchise Owner shall submit such plans and materials to the Company by personal delivery or through the mail, "Return Receipt Requested." Master Franchise Owner shall not use such plans or materials until they have been approved by the Company in writing and shall promptly discontinue use of any advertising or promotional plans and materials upon the request of the Company. Any plans or materials submitted by Master Franchise Owner to the Company that have not been approved or disapproved in writing, within 30 days of receipt thereof by the Company, shall be deemed disapproved.
3. Master Franchise Owner hereby agrees to market for new Janitorial Franchise Owners for locations in its Territory. All such marketing materials and plans shall be submitted to the Company, at least 30 days in advance and shall require Franchisor's prior written approval prior to its implementation. See the Manual for details.
4. Master Franchise Owner further agrees to spend, as a minimum, of \$1,250 per month for marketing for new Janitorial Franchise Owners in its Territory.
5. Master Franchise Owner hereby acknowledges and agree that it will be a material default

of this Agreement should the Master Franchise Owner fail meet the minimum marketing spend of \$1,250 per month for three or more consecutive or non-consecutive months in one calendar year.

6. Master Franchise Owner agrees to send to the Franchisor, at the beginning of each calendar month, evidence that it has spent the minimum amount of monies noted above for the marketing of new Janitorial Franchise Owners.
7. Franchisor reserves the right, as its sole discretion, to waive the marketing spend requirement for Master Franchise Owner.

G. Marketing for New Cleaning Accounts

1. Master Franchise Owner shall create a marketing plan in order to recruit qualified prospective customers for new cleaning accounts in the Master Franchise Owner's Territory. Master Franchise Owner shall implement such marketing plan in any media it desires, provided that such marketing conforms to the standards and requirements of the Company as set forth in the Company's Manual, or otherwise designated by Franchisor. Master Franchise Owner agrees to submit such marketing plan to the Company at least once every 12 months during the term of this Agreement.
2. Master Franchise Owner may not advertise his or her Master Franchise Business in connection with any other business, except with the Company's prior written approval. Master Franchise Owner shall obtain the Company's prior approval of all advertising and promotional plans and materials relating to the marketing for new cleaning accounts that Master Franchise Owner desires to use at least 30 days before the start of any such plans unless such plans and materials have been previously approved by the Company. Master Franchise Owner shall submit such plans and materials to the Company by personal delivery or through the mail, "Return Receipt Requested." Master Franchise Owner shall not use such plans or materials until they have been approved by the Company in writing and shall promptly discontinue use of any advertising or promotional plans and materials upon the request of the Company. Any plans or materials submitted by Master Franchise Owner to the Company that have not been approved or disapproved in writing, within 30 days of receipt thereof by the Company, shall be deemed disapproved.
3. Master Franchise Owner hereby agrees to market for new cleaning accounts for locations in its Territory. All such marketing shall be pre-approved by Franchisor prior to its implementation. See the Manual for details.
4. Master Franchise Owner further agrees to spend, as a minimum of \$1,800 per month for marketing for new cleaning accounts in its Territory including, without limitation, a telemarketing program per the Franchisor's training and procedures as set forth in the Manual.
5. Master Franchise Owner hereby acknowledges and agree that it will be a material default of this Agreement should the Master Franchise Owner fail meet the minimum marketing spend of \$1,800 per month for three or more consecutive or non-consecutive months in one calendar year.
6. Master Franchise Owner agrees to send to the Franchisor, at the beginning of each calendar

quarter, evidence that it has spent the minimum amount of monies noted above for the marketing of new cleaning accounts.

7. Master Franchise Owner agrees that the monies to be spent on marketing for new cleaning accounts, as noted above, will include, but not be limited to, the following: telemarketing, direct mail, media advertising (e.g. television, radio, magazines, newspapers) and promotional materials. See the Manual for details.
8. Franchisor reserves the right, as its sole discretion, to waive the marketing spend requirement for the Master Franchise Owner.

#### H. Audits

Franchisor will have the right during normal working hours to audit the books and records of Master Franchise Owner, as set-forth in the Manual, including Master Franchise Owner's computer records and tax returns, with respect to the Master Franchise Business. If an audit discloses an underpayment of Royalty Fees or National Advertising Fund contributions, Master Franchise Owner will immediately pay these amounts to Franchisor together with accrued interest on the amount underpaid in accordance with the Agreement. In addition, if the underpayment exceeds 5%, of the total amount payable for any period covered under the audit, Master Franchise Owner will reimburse Franchisor for all out-of-pocket expenses actually incurred by Franchisor in connection with the audit.

#### I. Training and Continuing Education

Franchisor will not charge a fee for the initial training program. However, if a replacement Manager is employed, Franchisor will charge a training fee for that person's training at \$150 to \$300 per day per person plus all out-of-pocket expenses. See the Manual for details.

#### J. Transfer Fee

As a condition of Transfer of the Master Franchise Business, Master Franchise Owner must pay to the Company a Transfer Fee of 10% of the then current Initial Master Franchise Agreement of the Franchisor, or the amount of \$10,000, whichever is greater.

#### K. Interest on Late Payments

All Royalty Fee payments, local advertising expenditures, amounts due for purchases by Master Franchise Owner from the Company and/or its affiliated companies, and other amounts which Master Franchise Owner owes to the Company and/or its affiliated companies, not received on or before the due date shall be deemed overdue. If any payment or contribution is overdue, Master Franchise Owner shall pay to the Company immediately upon demand the overdue amount, a late fee of \$100.00 per incident, plus interest on the overdue amount from the date it was due until paid, at the rate of one-and one-half percent (1½%) per month, or the maximum rate permitted by law, whichever is higher. The foregoing shall be in addition to any other remedies the Company may possess, as permitted by law. We also have the right to assess service charges for any items that are returned for insufficient funds and late charges if permitted by applicable law.

Master Franchise Owner acknowledges that this paragraph shall not constitute agreement by the Company to accept such payments after same are due or a commitment by the Company to extend credit to, or otherwise finance Master Franchise Owner's operation of the Master Franchise Business. Further, Master

Franchise Owner acknowledges that his or her failure to pay all amounts when due shall constitute grounds for termination of this Agreement, as provided herein.

## VII. **OBLIGATIONS OF MASTER FRANCHISE OWNER**

### A. **Contracts with Janitorial Franchise Owner**

#### 1. **Selection**

Master Franchise Owner must diligently investigate the qualifications of each prospective Janitorial Franchise Owner in accordance with Franchisor's standards, policies and procedures relating to qualification of Janitorial Franchise Owners then in effect, and use its good faith best efforts to grant Janitorial Franchise Agreements only to those who are qualified and capable. See the Manual for details.

#### 2. **Contract Requirements**

- a. Each Janitorial Franchised Business opened by a Janitorial Franchise Owner pursuant to this Agreement must be the subject of a separate Janitorial Franchise Agreement between Master Franchise Owner and the Janitorial Franchise Owner in a form substantially similar to Franchisor's then current form of Janitorial Franchise Agreement, a copy of which is in the Master Franchise Manual.
- b. Master Franchise Owner shall modify the form of Janitorial Franchise Agreement from the Master Franchise Manual to reflect the terms of this Agreement and the terms upon which Master Franchise Owner wishes to contract with its Janitorial Franchise Owner. The form of Janitorial Franchise Agreement to be used by Master Franchise Owner is subject to Franchisor's prior written approval, and Master Franchise Owner will have no right thereafter to modify or offer to modify the Janitorial Franchise Agreement without Franchisor's prior written approval.
- c. Master Franchise Owner shall revise its form of Janitorial Franchise Agreement from time to time as reasonably necessary to conform to the standard form of Janitorial Franchise Agreement then used by Franchisor.
- d. Master Franchise Owner acknowledges that, for the protection of the System, Franchisor must always have certain reserved rights under all Janitorial Franchise Agreements. Master Franchise Owner therefore agrees to insert provisions in each Janitorial Franchise Agreement as may be required by Franchisor. Such provisions may include, without limitation, those provisions permitting Franchisor as a third-party beneficiary to enforce directly all rights with respect to the Janitorial Operations Manual, proprietary and trade secret information, covenants against competition and non-solicitation, use of the Trade Name and Proprietary Marks, and System standards and all other terms and conditions that the Franchisor deems necessary, in its sole discretion.

#### 3. **Notification of Breach or Termination**

Master Franchise Owner must deliver to Franchisor within a timely and reasonable manner a copy of any correspondence with Janitorial Franchise Owner that asserts a breach or

termination of a Janitorial Franchise Agreement and all other correspondence with any Janitorial Franchise Owner that is material to any franchise relationship as soon as it is sent or received by Master Franchise Owner.

4. Termination Conditions

- a. Master Franchise Owner may not terminate any Janitorial Franchise Agreement with any Janitorial Franchise Owner without the prior consent of Franchisor. Master Franchise Owner must, upon the request of Franchisor, terminate any Janitorial Franchise Agreement when Master Franchise Owner is entitled to do so under the terms of the Janitorial Franchise Agreement.
- b. If the Janitorial Franchise Owner terminates its Agreement with the Master Franchise Owner, then the Master Franchise Owner must immediately send to the Franchisor written notification of such termination.

B. Development Schedule

1. Opening

Master Franchise Owner must open its office and commence business within 3 months after the Effective Date.

2. Minimum Requirements

Master Franchise Owner shall pay to the Franchisor the minimum amount of Royalties as set forth in Section VI(C) of this Agreement.

C. Services to Janitorial Franchise Owners

Master Franchise Owner will provide to the Janitorial Franchise Owners in its Territory the same types of services Franchisor is obligated to provide under its Janitorial Franchise Agreements. Master Franchise Owner will faithfully perform all the services to Janitorial Franchise Owners within the Territory as provided in said Janitorial Franchise Agreements.

D. Use of Proprietary Marks

1. Franchisor's Ownership of Proprietary Marks

Master Franchise Owner acknowledges and agrees that Franchisor's affiliate, Mint Condition Properties, LLC or its successor ("Licensor") is the owner of the Proprietary Marks and any trade-dress (as defined in the Manual) associated with the Proprietary Marks or the Master Franchise Business. Master Franchise Owner's right to use the Proprietary Marks and the related trade-dress is derived solely from this Agreement and is limited to the conduct of the business by Master Franchise Owner pursuant to and in compliance with this Agreement and all applicable standards, specifications, and operating procedures prescribed by Franchisor from time to time during the term of this Agreement. Any unauthorized use of the Proprietary Marks by Master Franchise Owner is a breach of this Agreement and an infringement of the rights of Franchisor and Licensor in and to the Proprietary Marks. Master Franchise Owner acknowledges and agrees that

all usage of the Proprietary Marks by Master Franchise Owner and any goodwill established by Master Franchise Owner's use of the Proprietary Marks shall inure to the exclusive benefit of Franchisor and Licensor and that this Agreement does not confer any goodwill or other interests in or to the Proprietary Marks upon Master Franchise Owner. Master Franchise Owner shall 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 Proprietary Marks or assist another person in contesting the validity or ownership of any of the Proprietary Marks. All provisions of this Agreement applicable to the Proprietary Marks apply to any additional trademarks, service marks, and commercial symbols authorized for use by and licensed to Master Franchise Owner by Franchisor after the date of this Agreement.

2. Master Franchise Owner's Use of Proprietary Marks

Master Franchise Owner shall not use "Mint Condition" or any Proprietary 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 Master Franchise Owner use any Proprietary Mark in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized in writing by Franchisor. Master Franchise Owner agrees to give such notices of trademark and service mark registrations as Franchisor specifies and to obtain such fictitious or assumed name registrations as may be required under applicable laws, or as requested by Franchisor. Master Franchise Owner shall not use any of the Proprietary Marks in any manner that has not been specified or approved by Franchisor prior thereto.

3. Unauthorized Use of Proprietary Marks

Master Franchise Owner shall immediately notify Franchisor in writing of any apparent infringement of or challenge to Master Franchise Owner's use of the Proprietary Marks, which it becomes aware of, and of any claim by any person of any right in the Proprietary Marks or any similar trade name, trademark, or service mark of which Master Franchise Owner becomes aware. Master Franchise Owner shall not directly or indirectly communicate with any person other than Franchisor or Licensor and their counsel in connection with any such infringement, challenge, or claim. Franchisor and/or Licensor shall bear the cost of such litigation but they shall have sole discretion to take such action as they deem appropriate and shall have the right to exclusive control of any litigation, U.S. Patent and Trademark Office proceeding or other administrative proceeding arising out of such infringement, challenge or claim or otherwise relating to the Proprietary Marks. Master Franchise Owner agrees to execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of Franchisor's or Licensor's counsel, be necessary or advisable to protect and maintain the interests of Franchisor in any such litigation, U.S. Patent and Trademark Office proceeding, or other administrative proceeding or to otherwise protect and maintain the interests of Franchisor in the Proprietary Marks. Neither we nor Licensor will have any obligation to defend or indemnify you if the claim against you relates to your use of the Proprietary Marks in violation of the Franchise Agreement.

4. Franchisor's Right to Modify

If it becomes advisable at any time in Franchisor's sole discretion, for Franchisor and/or

Master Franchise Owner to modify or discontinue use of the Proprietary Marks, and/or use one or more additional or substitute trade names, trademarks, service marks, or other commercial symbols, Master Franchise Owner agrees to comply with Franchisor's directions within a reasonable time after notice to Master Franchise Owner by Franchisor, and Franchisor shall have no liability or obligation whatsoever with respect to Master Franchise Owner's modification or discontinuance of the Proprietary Marks. Master Franchise Owner agrees that any costs for modifying or changing the Proprietary Marks will be borne by Master Franchise Owner and such modification or change of Proprietary Marks will be completed by Master Franchise Owner within a reasonable period of time after notification by Franchisor.

5. Franchisor's Right to Inspect Master Franchise Owner's Business Operations

In order to preserve the validity and integrity of the Proprietary Marks and copyrighted materials licensed herein, and to assure that Master Franchise Owner is properly employing the same in the operation of its Mint Condition Master Franchise Business, Franchisor or its agents shall have the right of entry and inspection of Master Franchise Owner's business premises at all reasonable times and, additionally, shall have the right to observe the manner in which Master Franchise Owner is rendering its products and services and conducting its operations. Franchisor or its agents shall have the right to confer with Master Franchise Owner's employees and customers, and to inspect equipment and related merchandise, trademarked product lines, if applicable, other merchandise, equipment, supplies or inventory for test of content and evaluation purposes to make certain that the equipment and related merchandise, trademarked product lines, and other merchandise, equipment, supplies, inventory, services and operations are satisfactory and meet the quality control provisions and performance standards established by Franchisor from time to time.

E. Office

1. Location

Master Franchise Owner must, at its own expense, locate, obtain and occupy an office site for the Master Franchise Business. Master Franchise Owner and the lessor of the premises must execute an Agreement for Assignment of Office Lease substantially in the form of Attachment "5" to this Agreement, granting Franchisor an option to be assigned the lease in the event of any default under the lease or the Termination of this Agreement. Franchisor's prior approval of the proposed site must be obtained in writing. Franchisor will not withhold its approval unreasonably. To seek Franchisor's approval, Master Franchise Owner must advise Franchisor, in writing, of the street address of the proposed site. By approving a particular site, Franchisor does not warrant that the Master Franchise Business operating at that location will be successful. Franchisor requires the site to be located in a professional office building, near major highways, conveniently accessible to the entire Territory, and a minimum of 170 square feet with a floor plan suitable for the Master Franchise Business. Master Franchise Owner may relocate the Master Franchise Business or establish additional offices within the Territory only with Franchisor's prior written consent.

2. Office Improvements

The layout, tenant improvements, furnishings, equipment and décor for Master Franchise Owner's office (the "Office Improvements") are all subject to Franchisor's prior written approval, which shall not be unreasonably delayed or withheld, and as set forth in the Manual. Master Franchise Owner shall maintain all its Office Improvements in good, clean and safe repair, condition and appearance, and maintain, repair and replace the Office Improvements as necessary to maintain a first-class professional working environment and professional image. Master Franchise Owner shall obtain Franchisor's approval before installing, constructing or making any significant repairs, replacements or changes to the Office Improvements.

F. Quality Control

1. Opening

Master Franchise Owner may not commence the Master Franchise Business until Franchisor certifies in writing that, in the view of Franchisor's management, Master Franchise Owner and Master Franchise Owner's employees are prepared to conduct the Master Franchise Business. By certifying that Franchisor's management staff is prepared to open, Franchisor does not warrant that the Master Franchise Business will be successful. Master Franchise Owner must follow the details for openings its Master Franchise Business as set-forth in the Master Franchise Manual.

2. Master Franchise Operations Manual

Franchisor shall loan to Master Franchise Owner one copy of the Master Franchise Manual, containing mandatory and suggested specifications, standards and operating procedures prescribed from time to time by Franchisor, and information relative to other obligations of a Master Franchise Owner, and to the operation of a Mint Condition Master Franchise Business. The Master Franchise Manual will remain confidential and the property of Franchisor, constitutes a Trade Secret of Franchisor, and may not be loaned out, duplicated, or copied in whole or in part in any manner. Franchisor will have the right to add to and otherwise modify the Master Franchise Manual from time to time, as it deems necessary, provided that no such addition or modification will alter the Master Franchise Owner's fundamental status and rights under this Agreement. The Master Franchise Owner must always follow the directives of the Master Franchise Manual, as may be modified by Franchisor from time to time. Master Franchise Owner acknowledges that such compliance by Master Franchise Owner is necessary to protect the integrity and reputation of the System.

3. Services and Products Offered

Master Franchise Owner will offer, provide and sell all the services and only the services that Franchisor has authorized. Master Franchise Owner will use only the types of products that Franchisor has authorized it to use. Master Franchise Owner will monitor its Janitorial Franchise Owners to ensure they offer services and use products that conform to Franchisor's standards and specifications. Master Franchise Owner may purchase products that are to be sold or used in the Master Franchise Business from any source, as long as the supplier meets the standards established by Franchisor and that the products meet the specifications set out in the current versions of the Master Franchise Manuals. If Master Franchise Owner and/or its Janitorial Franchise Owner wish to use any product not

previously certified by Franchisor to meet Franchisor's specifications or which is sold by a supplier not previously approved by Franchisor, Master Franchise Owner will advise Franchisor of this fact and, upon Franchisor's request, will give Franchisor product specifications, sample products, and/or information about the supplier. Franchisor will promptly communicate to Master Franchise Owner either its approval or its reasons for withholding its approval. Silence may not be construed as consent. Franchisor may withdraw its approval of a supplier or product if either or both no longer meet Franchisor's standards or specifications.

4. Inspections

Franchisor may conduct periodic quality control inspections of the Master Franchise Business and of Janitorial Franchise Owner's work sites at any time during normal business hours. Franchisor has the right, but not the duty, to communicate directly with Master Franchise Owner's Janitorial Franchise Owner about any matter concerning their Janitorial Franchise Agreements. Quality control inspections may be made with or without prior notice. Master Franchise Owner will promptly correct or require Janitorial Franchise Owner to correct any deficiencies of which it is advised by Franchisor. If Master Franchise Owner does not take immediate, effective steps to bring its operation up to Franchisor's standards, its failure to do so will constitute a material breach of this Agreement.

5. Notification of Complaints

Master Franchise Owner will notify Franchisor promptly if Master Franchise Owner is served with a complaint in any legal proceeding that is in any way related to the Master Franchise Business, or if Master Franchise Owner becomes aware that it is the subject of any complaint to or investigation by a governmental licensing authority or consumer protection agency.

G. Personnel

1. Management

Master Franchise Owner must devote all his productive time and effort to the management and operation of the Master Franchise Business. If Franchisor, in its sole discretion, determines that its Manager is not properly performing his duties, Franchisor will advise Master Franchise Owner and Master Franchise Owner must immediately take steps to correct the situation. The Master Franchise Business must at all times be managed by someone who has successfully completed the training program offered by Franchisor, or by the Master Franchise Owner or its representative.

2. Temporary Management by Franchisor

If the Master Franchise Owner is unable to successfully manage the Master Franchise Business, or if no one who has successfully completed the initial training program conducted by Franchisor is available to manage the Master Franchise Business on behalf of the Master Franchise Owner, then the Franchisor may, at its option, provide a Temporary Manager who shall have the right to manage the Master Franchise Business. Any such Temporary Manager provided by Franchisor shall remain an employee or an independent licensee of Franchisor. Master Franchise Owner shall pay Franchisor \$500 per day plus all

out-of-pocket expenses, including without limitation, all reasonable costs of transportation, commuting and housing, for the Temporary Manager's services. Master Franchise Owner shall retain the profits, and remain solely and fully liable for all expenses, and any losses, incurred during the period the Master Franchise Business is operated by the Temporary Manager.

3. Employees

Master Franchise Owner must maintain at all times a staff of trained employees sufficient to operate the Master Franchise Business in compliance with Franchisor's standards.

H. Operation of Janitorial Cleaning Business

Master Franchise Owner shall, at all times after completing initial training and commencing the Master Franchise Business, be prepared and able to service Janitorial Customers in the Territory on at least an interim basis when the need arises until such Janitorial Customers can be assigned to a Janitorial Franchise Owner.

I. Financial Information

Master Franchise Owner will submit to Franchisor, on or before the 20<sup>th</sup> day of each month, financial reports on the income and expenses of the Master Franchise Business in the format and manner specified in the Master Franchise Owner's Manual. Franchisor requires Master Franchise Owner to purchase or lease computer and/or communications equipment and software that meet specifications set out in the Master Franchise Owner's Manual to facilitate the creation of standardized financial records and their conveyance to Franchisor through on-line electronic communication or other means. Master Franchise Owner will also submit to Franchisor, at the time of filing, copies of all federal, state and local income, sales and property tax returns. Master Franchise Owner will also submit to Franchisor audited financial statements to Franchisor no later than April 30 of each year for the preceding fiscal year, and unaudited financial statements no later than February 15<sup>th</sup> of each year for the preceding fiscal year. Franchisor will use this data to confirm that Master Franchise Owner is complying with its obligations under this Agreement and to formulate earnings and expense information to disclose to prospective Master Franchise Owners.

J. Insurance

1. Overall Insurance Coverage Required

Master Franchise Owner must procure, prior to opening the Mint Condition Master Franchise Business, and shall maintain in full force and effect during the term of this Agreement, at Master Franchise Owner's expense, an insurance policy or policies protecting Master Franchise Owner, Franchisor, and its designated affiliates, directors, agents and employees against any loss, liability, personal injury, death, property damage, or expense whatsoever arising from or occurring upon or in connection with operating the Mint Condition Master Franchise Business. Franchisor and its designated affiliates must be named as an additional insured on all such policies. Master Franchise Owner may meet some of the insurance requirements set forth in this Agreement and the Manual by participating in the Franchisor's Insurance Plan, as noted in this Agreement. Master Franchise Owner must secure on his own all other insurance requirements of Franchisor, as set forth in this Agreement.

2. Qualified Insurance Carrier

All insurance policies required under this Agreement shall be written by an insurance company satisfactory to Franchisor, naming Franchisor and its designated affiliates as “additional insured” parties in accordance with standards and specifications set forth in the Manual, this Agreement or otherwise specified by the Franchisor in writing, and shall include, at a minimum (except as additional coverage and higher policy limits may reasonably be specified from time to time by Franchisor), the limits set forth in the Manual for the following categories of required insurance:

- a. Comprehensive general liability insurance including, but not limited to, product liability coverage, personal injury coverage;
- b. Motor Vehicle Liability for owned, hired, and non-owned automobiles;
- c. Property damage liability insurance covering at a minimum the perils of fire and extended coverage and vandalism;
- d. Workers’ Compensation insurance as prescribed by state law;
- e. An Umbrella Policy; and
- f. Such other insurance that may be required by Franchisor and/or the statutes or other laws of the state or any local governmental entity in which the Master Franchise Owner’s Master Franchise Business is located and/or operated.

3. No Limitations on Coverage

Master Franchise Owner’s obligations to obtain and maintain the foregoing insurance policies in the policy limits set forth in the Manual shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, or by the Insurance Plan, nor shall Master Franchise Owner’s performance of this obligation relieve it of liability under the indemnity provisions set forth in this Agreement. Master Franchise Owner may maintain such additional insurance as it may consider advisable.

4. Evidence of Coverage

Upon obtaining the insurance required by this Agreement and on each policy renewal date thereafter, Master Franchise Owner must promptly submit evidence of satisfactory insurance and proof of payment thereof to Franchisor, together with, upon request, copies of all policies and policy amendments and endorsements. The evidence of insurance shall include a statement by the insurer that the policy or policies will not be canceled or materially altered without giving at least 30 days’ prior written notice to Franchisor.

5. Franchisor May Procure Insurance Coverage

Should Master Franchise Owner, for any reason, fail to procure or maintain the insurance required by this Agreement, as described from time to time by the Manual or otherwise in writing, a breach of this Agreement shall result. Franchisor shall then have the right and authority (but no obligation) to procure such insurance and to charge same to Master

Franchise Owner, which charges, together with a reasonable fee for Franchisor expenses in so acting, shall be payable by Master Franchise Owner immediately upon notice from Franchisor or may be offset by Franchisor from funds otherwise due to Master Franchise Owner.

6. Certificate of Insurance

Master Franchise Owner must submit to Franchisor, at least annually, and otherwise upon request by Franchisor, a copy of the certificate of renewal or other evidence of the renewal, existence or extension of such insurance policies.

K. Financial and Legal Responsibility

1. Compliance with Law

Master Franchise Owner must comply with all federal, state and local laws and regulations pertaining, directly or indirectly, to the Master Franchise Business. Master Franchise Owner must keep current all licenses, permits, bonds and deposits made to or required by any government agency in connection with the operation of the Master Franchise Business.

2. Payment Obligations

Master Franchise Owner must pay promptly when due all taxes and obligations that it incurs in the conduct of its business.

L. Access to Master Franchise Owner's Information

At all times Master Franchise Owner shall use Franchisor's designated software and internet systems and shall give access through such programs and systems to Franchisor. The access to Franchisor shall be maintained at all times and shall include information relating to Master Franchise Owner's janitorial contracts and clients, accounting, sales, bidding and estimating. The information for which Master Franchisor Owner must maintain access to Franchisor shall be supplied through such software and systems as Franchisor may designate; and both the information supplied and the methods of access (including software and internet) designated by Franchisor may change from time to time as Franchisor may designate at the expense of Master Franchise Owner.

VIII. **FRANCHISE LAWS**

A. Disclosure and Registration Laws

Master Franchise Owner has been advised that many states require that a Franchise Disclosure Document containing information about both Franchisor and Master Franchise Owner must be registered with state authorities before any franchise is offered to any person or entity, and that the Federal Trade Commission and certain states impose certain disclosure requirements with respect to the offer and sale of franchises. Master Franchise Owner must comply in all respects with all federal and state franchising and applicable business opportunity laws of all states in the Territory.

B. Preparation of Franchise Disclosure Document

Franchisor shall prepare a prototype form of Franchise Disclosure Document for use by Master Franchise

Owners generally, containing required information about Franchisor and the System, with blank Paragraphs for the insertion of all required information about Master Franchise Owner. Master Franchise Owner must provide the form of Janitorial Franchise Agreement as adapted by Master Franchise Owner and as approved by Franchisor, together with all required information regarding the financial, litigation, bankruptcy and employment history of Master Franchise Owner, its employees and sales agents, and if applicable, the officers, directors and/or partners of Master Franchise Owner, for purposes of fully complying with franchising and business opportunity disclosure and registration laws, and franchise sales agent registrations. Master Franchise Owner shall, at its sole expense, obtain audited financial statements for Master Franchise Owner, prepare all of the inserts relating to Master Franchise Owner, the terms of the Janitorial Franchise Agreement, and the final Franchise Disclosure Document, all of which (except for the financial terms of the Janitorial Franchise Agreement) shall be subject to the prior written approval of Franchisor before being filed or used in any way.

C. Registration

If any state in the Territory requires registration of the Franchise Disclosure Document prior to any offer of a franchise, or any other registration, filing or legal or regulatory compliance, Master Franchise Owner shall, at its sole expense, so register, file or otherwise comply; provided, however, that any application for registration shall be subject to the prior written approval of Franchisor before being filed.

D. Timing

Master Franchise Owner and Franchisor shall cooperate and jointly use their best efforts to have a current Franchise Disclosure Document which is in compliance with all applicable laws, and registered if required, for use by Master Franchise Owner in all jurisdictions and at all times Master Franchise Owner is authorized to offer Janitorial Franchise Agreements under this Agreement. Nothing in this Agreement, however, shall require Franchisor to guarantee any obligation of Master Franchise Owner, post any bond or surety, or agree to the subordination, escrow or delay in payment of any fees payable by Master Franchise Owner to Franchisor. Furthermore, Master Franchise Owner acknowledges that because of the scope and complexity of the business and financial affairs of Franchisor and its Affiliates, it may not always be possible for Franchisor to obtain its audited financial statements within the time periods required by law for updating Franchise Disclosure Documents. Should that happen, Master Franchise Owner agrees that it will stop all franchise sales activities until the updated Franchise Disclosure Document is available, and registered, if required. If any such interruption caused solely by Franchisor occurs, the development schedule and the time periods in which minimum royalties must be paid, as set forth in Attachment "1" to this Agreement, shall both automatically be extended by the period of any such delay.

E. Amendments

Each party shall be responsible, at its own expense, for preparing, and registering if applicable, any amendment required because of the party's changed circumstances. No amendment prepared by Master Franchise Owner shall be filed or used without the prior written approval of Franchisor.

F. Delivery

Master Franchise Owner shall be responsible for responding to inquiries regarding franchise opportunities in the Territory, delivering both the proper Franchise Disclosure Document and the completed agreements for execution to prospective Janitorial Franchise Owners at the times required by law, and obtaining receipts for the delivery of the Franchise Disclosure Documents and the completed agreements, all in compliance with applicable franchise and/or business opportunity laws. Photocopies of all such receipts shall be

promptly forwarded to Franchisor.

G. Representations

Master Franchise Owner shall not make any representations to any prospects about Janitorial Franchise Agreements or Franchisor, or otherwise, which are misleading, incomplete, fraudulent or untrue, or which are contradicted by the Franchise Disclosure Document or its exhibits. Master Franchise Owner shall cause all franchise sales efforts made by it or under its direction to be courteous, dignified and in keeping with a professional, ethical and responsible business.

IX. **RELATIONSHIP OF PARTIES**

A. Proprietary Marks

As noted in this Master Franchise Agreement, Master Franchise Owner acknowledges and agrees that Licensor is the owner of the Proprietary Marks and any trade-dress associated with the Proprietary Marks or the Master Franchise Business, and Master Franchise Owner's right to use the Proprietary Marks and the related trade-dress is derived solely from this Agreement and is limited to the conduct of the business by Master Franchise Owner, pursuant to and in compliance with this Agreement and all applicable standards, specifications, and operating procedures prescribed by Franchisor from time to time during the term of this Agreement.

B. Fiduciary Relationship

It is understood and agreed by the parties hereto that this Agreement does not establish a fiduciary relationship between them, that the Master Franchise Owner shall be an independent owner, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venture, partner, employee, or servant of the other for any purpose whatsoever.

C. Master Franchise Owner is an Independent Owner

During the term of this Agreement, and any Successor Agreements or extensions hereof, Master Franchise Owner shall hold itself out to the public as an independent owner operating its business pursuant to a Master Franchise Agreement from Franchisor. Master Franchise Owner agrees to take such affirmative actions as may be necessary to do so, including, without limitation, exhibiting a public notice of that fact, the content and display of which Franchisor shall have the right to specify from time to time.

X. **CONFIDENTIALITY OF PROPRIETARY INFORMATION**

A. Definitions

For purposes of this Agreement, the following terms have the following meanings:

“Confidential Information” means valuable, proprietary and/or confidential business information or data including but not limited to “Trade Secrets” (as defined in this Paragraph below). “Confidential Information” also includes any items specifically designated as a Trade Secret in this Paragraph that are ultimately determined under applicable law not to constitute a “trade secret” but that otherwise meet the definition of Confidential Information. MASTER FRANCHISE OWNER ACKNOWLEDGES THAT THE TERMS OF THIS AGREEMENT AND THE MANUAL ARE CONFIDENTIAL INFORMATION.

“Trade Secrets” means information, including, but not limited to, confidential business information, technical or non-technical data, formulas, patterns, compilations, programs, marketing plans, business strategies, devices, methods, techniques, drawings, processes, financial data, equipment lists, financial plans, product plans, list of actual or potential customers or suppliers, that: (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. To the extent that applicable law mandates a definition of “trade secret” inconsistent with the foregoing definition, then the foregoing definition shall be construed in such a manner as to be consistent with the mandated definition under applicable law.

B. Non-Disclosure Covenant

Master Franchise Owner acknowledges that he or she may be exposed to certain Confidential Information and Trade Secrets of Franchisor during the term of the Franchise Agreement, and that his, her or its unauthorized use or disclosure of such information or data could cause immediate and irreparable harm to Franchisor. Accordingly, except to the extent that it is necessary to use such information or data to perform his or her express obligations under this Agreement, Master Franchise Owner shall not (and shall take diligent measures to ensure that none of its employees or other personnel shall), without the express prior written consent of Franchisor, publish, disclose, transfer, release or divulge to any other person or entity, or use or modify for use, directly or indirectly in any way for any person or entity.

C. Master Franchise Owner’s Employees Will Not Disclose Proprietary Information

The Master Franchise Owner may disclose the Proprietary Information only to such of its employees, agents and representatives as must have access to it in order to operate the Master Franchised Business. Master Franchise Owner shall obtain from each such employee, representative or agent, a non-disclosure agreement in the form required by Franchisor.

D. Franchisor’s Patent Rights and Copyrights

Franchisor does not own rights in, or to, any patents that are material to the Franchise. However, Franchisor claims a copyright in the Manual and certain marketing, sales, and operations literature.

E. Ownership of Newly Developed Products and Services

Master Franchise Owner must fully and promptly disclose to Franchisor all ideas, names, customer accounts, concepts, methods and techniques relating to the development, operation or promotion of his or her Master Franchised Business, conceived or developed by him or her or by employees during the terms of this Agreement. Franchisor has the perpetual right to use and authorize other Mint Condition Master Franchise Businesses to use such ideas, names, concepts, methods and techniques and, if incorporated into Franchisor’s system for the development, operation or promotion of the Mint Condition Franchised System, such ideas, names, concepts, methods and techniques become the sole and exclusive property of Franchisor without any consideration to Master Franchise Owner, in as much as they are derivative ideas or products of Franchisor’s Proprietary Information.

XI. COVENANTS

A. Master Franchise Owner Receives Confidential Information

Master Franchise Owner specifically acknowledges that pursuant to this Agreement, Master Franchise Owner will receive valuable training and confidential information, including, without limitation, Confidential Information, Trade Secrets, information regarding promotional, operational, sales, and marketing methods and techniques of Franchisor and the System.

B. No Diversion of Business

During the term of this Agreement and for a period of 2 years following the expiration or termination of this Agreement, Master Franchise Owner covenants that it will not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, or legal entity:

1. Divert or attempt to divert any business or customers of the Master Franchise Owner's Business with which or with whom Master Franchise Owner has had contact during the term of this Agreement to any competitor of Franchisor by direct or indirect inducement or otherwise;
2. Do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks or the System or both; or
3. Induce, directly or indirectly, any person who is at that time employed by Franchisor or by any other Master Franchise Owner of Franchisor, to leave his or her employment thereat.

The provisions of this Paragraph shall apply only in the geographic area encompassing the Exclusive Territory and/or lying within a ten-mile radius of the Master Franchise Owner's Master Franchise Business.

C. Covenant Not to Compete

Master Franchise Owner covenants that, except as otherwise approved in writing by Franchisor, Master Franchise Owner shall not, for a continuous uninterrupted period commencing upon execution of this Agreement, and continuing for 2 years after expiration or termination of this Agreement, regardless of the reason for such termination or expiration, either directly or indirectly, for himself, or on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, manage, operate, maintain, advise, consult with, invest in, be employed by, or engage in, any retail business specializing, in whole or in part, in (a) a business offering to the public substantially similar products and/or services substantially similar to the products and/or services then being offered by a majority of the Franchisor's Master Franchise Businesses; or (b) any entity which is granting franchises or licenses to others to operate a location principally offering products or services in a manner substantially similar to Franchisor within a 5 mile radius of a Mint Condition Master Franchise Business or; (c) directly or indirectly, for himself, or on behalf of any other person or entity, manage, operate, maintain, advise, consult with, invest in, be employed by, or engage in, any business offering janitorial services within 5 miles from any Mint Condition customer location, whether or not the Mint Condition customer is an account of Franchisor or any Mint Condition franchisee. The above-noted covenant is not intended to prevent any individual Master Franchise Owner from being able to procure gainful employment.

D. Exception to Covenant Not to Compete

Paragraph XVII (C) hereof shall not apply to ownership by Master Franchise Owner of less than a 5% beneficial interest in the outstanding equity securities of any publicly held corporation.

E. Covenants are Independent

The parties agree that each of the foregoing covenants shall be construed to be independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this Paragraph of this Agreement is held to be unenforceable or unreasonable by a court or agency having competent jurisdiction in any final decision to which Franchisor is a party, Master Franchise Owner expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resultant covenant were separately stated in and made a part of this Paragraph of this Agreement.

F. Claims Are Not Defense to Covenants

Master Franchise Owner expressly agrees that the existence of any claim it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants of this Paragraph of this Agreement. Master Franchise Owner further agrees that Franchisor shall be entitled to set off from any amount owed by Franchisor to Master Franchise Owner any loss or damage to Franchisor resulting from Master Franchise Owner's breach of this Paragraph of this Agreement.

G. Injunctive Relief Available to Franchisor

Master Franchise Owner acknowledges that any failure to comply with the requirements of this Paragraph of this Agreement will cause Franchisor irreparable injury for which no adequate remedy at law may be available, and Master Franchise Owner hereby accordingly consents to the issuance by a court of competent jurisdiction of an injunction prohibiting any conduct by Master Franchise Owner in violation of the terms of this Paragraph of this Agreement. Franchisor may further avail itself of any legal or equitable rights and remedies which it may have under this Agreement or otherwise.

XII. **NO SOLICITATION**

A. Customers

Master Franchise Owner and each of its Substantial Owners agree that while this Agreement is in effect, all solicitations Master Franchise Owner and its Substantial Owners and employees make relating to janitorial and other facility services will be made on behalf of the Master Franchise Business conducted hereunder. Master Franchise Owner and each of its Substantial Owners agree that after the Transfer or Termination of this Agreement for any reason, Master Franchise Owner and its Substantial Owners will not solicit as a customer for commercial janitorial or other facility services: (a) any Janitorial Customer serviced by Master Franchise Owner or Janitorial Franchise Owner of Master Franchise Owner during the period of this Agreement was in effect; (b) any other janitorial customer serviced by Franchisor or any of its Master Franchise Owners or their Janitorial Franchise Owner during the period of this Agreement was in effect; or (c) any prospective janitorial customers to whom Franchisor or any of its Master Franchise Owners or their Janitorial Franchise Owner had proposals or bids outstanding at the time this Agreement ended.

XIII. **MODIFICATION**

This instrument contains the entire Agreement between the parties relating to the rights herein granted and the obligations herein assumed. Any oral representations or modifications concerning this Agreement shall be of no force or effect unless a subsequent modification in writing is signed by the parties hereto.

#### **XIV. SEPARATE AGREEMENTS**

Master Franchise Owner must obtain written Non-Disclosure and Non-Competition Agreements, in the form of Attachment “4” to this Agreement, signed by each of Master Franchise Owner’s Substantial Owners, and by the employees who have access to the Confidential Information, and promptly send Franchisor a copy of each such agreement. Master Franchise Owner shall be primarily responsible for requiring compliance of its Substantial Owner and employees with the terms of their Non-Disclosure and Non-Competition Agreements, and for enforcing them.

#### **XV. INDEMNIFICATION**

Master Franchise Owner understands and agrees that nothing in this Agreement authorizes Master Franchise Owner to make any contract, agreement, warranty or representation on Franchisor’s behalf, or to incur any debt or other obligation in Franchisor’s name. Master Franchise Owner further understands and agrees that Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action or by reason of any act or omission of Master Franchise Owner in its conduct of the Master Franchise Owner’s Master Franchised Business, or any claim or judgment arising therefrom against Franchisor. Master Franchise Owner shall indemnify and hold Franchisor, Licensor and Franchisor’s Master Franchise Businesses, and each of their directors, shareholders and employees, and agents harmless from and against any and all claims, costs and causes of action, arising directly or indirectly from, as a result of, or in connection with, Master Franchise Owner’s operation of the Master Franchise Owner’s Master Franchised Business, its employees or agents, or by reason of any act occurring on or at the premises of its Mint Condition Master Franchise Business or by reason of an omission relating to the operation of its Mint Condition Master Franchise Business, as well as the costs, including attorneys’ fees and court costs, of defending against same.

#### **XVI. TRANSFER OF MASTER FRANCHISE AGREEMENT**

##### **A. Purpose of Conditions**

Franchisor’s grant of this Master Franchise is made in reliance upon Master Franchise Owner’s integrity, ability, experience and financial resources. Consequently, no Transfer (as defined in this Agreement) may be made unless Master Franchise Owner has first obtained Franchisor’s written consent, which will not be unreasonably withheld. In order to ensure that no Transfer jeopardizes the Trade name, the Proprietary Marks or Franchisor’s interest in the successful operation of the Master Franchise Business, Franchisor will consent to a Transfer only if Master Franchise Owner complies with all the provisions of this Agreement.

##### **B. Notice of Proposed Transfer**

If Master Franchise Owner wishes to make a Transfer, Master Franchise Owner must submit to Franchisor: (a) the form of Master Franchise Owner application form currently in use by Franchisor completed by the prospective transferee, and (b) a written notice, setting forth all the terms and conditions of the proposed Transfer and all available information about the proposed transferee, together with copies of all documentation including any written offer.

##### **C. Consent by Franchisor**

Franchisor must respond to the written notice of Master Franchise Owner within 15 days after receipt of the notice, or if Franchisor requests additional information, within 15 days after receipt of the additional information. Franchisor may either consent to the Transfer or state its reason for refusing to consent. Silence

shall not be construed as consent. If Franchisor consents to the Transfer, then Master Franchise Owner may transfer the interest described in the notice only to the named transferee and only upon the terms and conditions set forth in the notice and Franchisor's consent. Consent by Franchisor to a particular Transfer will not constitute consent to any other or subsequent Transfer.

D. Conditions for Consent to Transfer

Unless a waiver, as set-forth in this Agreement applies to some or all of the conditions set forth below in this Paragraph of this Agreement, every Transfer is subject to all of the following requirements:

1. Satisfaction of Franchisor that the proposed transferee meets all of the criteria of character, business experience, financial responsibility, net worth and other standards that Franchisor customarily applies to new Master Franchise Owners at the time of the proposed Transfer; and if the Transfer is to an existing Mint Condition Master Franchise Owner, that Master Franchise Owner must be in Good Standing and fully capable, in Franchisor's sole reasonable judgment, of handling the additional business;
2. Payment of all Master Franchise Owner's outstanding obligations to Franchisor;
3. Cure of all defaults under this Agreement and any other agreement between Franchisor or any of its Affiliates and Master Franchise Owner;
4. Signing by the transferee of the then-current form of Master Franchise Agreement, amended to shorten the term of the remainder of Master Franchise Owner's current term and to waive payment of an Initial Master Franchise Fee by the proposed transferee;
5. Providing Franchisor with: (i) the names, titles and residential addresses of the owners and the officers or managers of any entity to whom a Transfer is being made, and their percentages of ownership; and (ii) the address where the entity will keep its business records;
6. Payment by Master Franchise Owner of the Transfer Fee described in this Agreement;
7. Completion by the transferee of Franchisor's initial training program to Franchisor's reasonable satisfaction, and payment by Master Franchise Owner or transferee of the training fee described in this Agreement;
8. Signing of a Non-Disclosure and Non-Competition Agreement substantially in the form of Attachment "4" to this Agreement by each of the Substantial Owners of the entity to whom a Transfer is made;
9. Signing of a Guaranty of Master Franchise Owner's Undertakings substantially in the form of Attachment "2" to this Agreement by each of the Substantial Owners of the entity to whom a Transfer is made (and by each such individual's spouse in a community property state);
10. Signing of a general release of claims by Master Franchise Owner and its Substantial Owners and their spouses in favor of Franchisor and its Affiliates; and
11. Offering a Franchisor a first right of refusal to acquire the assets and/or interests that are

subject to the Transfer, as provided in this Agreement.

**XVII. WAIVERS OF SOME CONDITIONS UPON CERTAIN TYPES OF TRANSFERS**

**A. Incorporation**

In the event of a Transfer to any corporation or other form of business entity, if the beneficial ownership of the business entity immediately following the Transfer is the same and in the same proportions as the beneficial ownership immediately before the Transfer, then provided that the original part(y/ies) remain(s) fully obligated under this Agreement, then Franchisor may waive certain provisions of this Agreement.

**B. Transfer of Partial Interest Between Co-Owners**

In the event of a Transfer of a partial ownership interest in a corporation or other legal entity which is the Master Franchise Owner to an existing co-owner of the Master Franchise Owner, the Franchisor may waive certain provisions of this Agreement; *except that* if the co-owner who will be acquiring a greater ownership interest has not successfully completed Franchisor's initial training program and will have a controlling interest or will be active in the business, then that requirement in this Agreement must be satisfied.

**C. Death or Substantial Disability**

If an individual Master Franchise Owner or an owner of a 30% or greater Substantial Interest in Master Franchise Owner dies or becomes substantially and permanently disabled while this Agreement is in effect, that person's heirs or representative will have 60 days within which to request approval by Franchisor of a Transfer of that person's interests to them and to demonstrate to Franchisor's satisfaction that they meet all of the criteria of character, business experience, financial responsibility, net worth and other standards that Franchisor requires of new Master Franchise Owners at that time. If Franchisor approves the heirs or representative as transferees of the deceased or disabled person, Franchisor may waive certain provisions of this Agreement in connection with the Transfer. If Franchisor advises the heirs or representative in writing that Franchisor will not approve them as transferees, or if Franchisor fails to approve or disapprove the Transfer within 60 days following its receipt of the request for approval of a Transfer to the heirs or representative, the heirs or representative will have 120 additional days from the date of disapproval of the Transfer within which to Transfer the interest of the deceased or disabled person to a qualified transferee in conformity with the provisions of this Agreement. If the heirs or representative do not make a Transfer approved by Franchisor within the specified period, this Agreement will automatically terminate at the end of the period unless a written extension of time has been granted by Franchisor.

**D. Franchisor's Right of First Refusal**

Except as otherwise provided in the Agreement, before making a Transfer, Master Franchise Owner must first give Franchisor written notice of all the terms of the proposed Transfer and all available information about the proposed transferee, together with copies of all documentation including any written offer. Within 15 days after receipt of the notice and documentation, Franchisor may, at its option, elect to become (or have its nominee become) the transferee. The exercise of the option shall be upon the terms specified in the notice and documents, subject to a set off for all amounts owed by Master Franchise Owner and any Related Party to Franchisor and its Affiliates. If Franchisor declines to exercise its option within the time specified, Master Franchise Owner may thereafter make the Transfer to an approved transferee (but not on more favorable terms than those offered to Franchisor) provided that all of the requirements of this Agreement are satisfied. If the Transfer is not made within 3 months from the date of the notice to Franchisor, then Master Franchise Owner must give Franchisor another notice and option as provided in this Agreement before making any

Transfer.

E. Assignment by Franchisor

This Agreement grants Franchisor the right to freely transfer or assign all or part of its rights or obligations under this Agreement to any assignee or other legal successor to the interests of Franchisor without Franchisor's consent.

**XVIII. TERMINATION OF MASTER FRANCHISE AGREEMENT**

A. Termination by Mutual Consent

This Agreement may be terminated at any time upon the mutual written consent of the parties.

B. Termination by Franchisor

1. Acts of Default

Upon the occurrence of any of the following defaults by Master Franchise Owner, Franchisor, at its option, may terminate this Agreement:

- a. If Master Franchise Owner fails to make any payment including but not limited to minimum Royalty Fees, when due under this Agreement or any other agreement between Master Franchise Owner and Franchisor or an Affiliate of Franchisor;
- b. If Master Franchise Owner fails to open its office and commence business on time, or fails to pay the Minimum Royalty Payments as specified in Attachment "1" to this Agreement;
- c. If Master Franchise Owner has not fulfilled the Initial Business Plan and/or Additional Business offered to its Janitorial Franchise Owners in a reasonable period of time, as determined by Franchisor, in its sole discretion, and as more fully set-forth in the Master's Manual.
- d. If Master Franchise Owner misuses the Proprietary Marks or the System or engages in conduct which reflects materially and unfavorably upon the goodwill associated with them including conduct that results in complaints from Janitorial Franchise Owner's or Janitorial Customers or if Master Franchise Owner uses in a Master Franchise Business any names, Proprietary Marks, systems, logotypes or symbols that Franchisor has not authorized Master Franchise Owner to use;
- e. If Master Franchise Owner defaults in the performance of any other material obligation under this Agreement or any other agreement with Franchisor or its Affiliate;
- f. If Master Franchise Owner or any Substantial Owner has made any material misrepresentation in connection with the acquisition of the Master Franchise Business or to induce Franchisor to enter into this Agreement;

- g. If Master Franchise Owner ceases to operate the Master Franchised Business for a period of 3 days or more, unless: (i) operations are suspended for a period of no more than 180 days and (ii) the suspension was caused by an act of God or disaster not within Master Franchise Owner's control;
- h. If Master Franchise Owner fails to permanently correct a breach of this Agreement after being twice requested in writing by Franchisor to correct the problem in any 12-month period;
- i. If Master Franchise Owner is convicted of a felony or any criminal misconduct which is relevant to the operation or reputation of the Master Franchised Business; or
- j. If Master Franchise Owner has been adjudicated by a court of competent jurisdiction that it has materially breached any of its Franchise Agreements with its Janitorial Franchise Owners.

## 2. Notice of Default

Termination will be effective 5 business days after written notice is given to Master Franchise Owner if the default described in subparagraph (a) has not been cured within that time period. Termination will be effective 30 days after written notice of default is given to Master Franchise Owner if any of the defaults described in subparagraphs (b) through (e) above have not been cured within that time period. Termination will be effective immediately upon written notice to Master Franchise Owner if any of the defaults described in subparagraphs (f) through (j) above occurs.

## B. Termination by Master Franchise Owner

If Master Franchise Owner is in compliance with this Agreement and Franchisor materially breaches this Agreement and fails to cure such breach within 30 days after written notice thereof is delivered to Franchisor, then Master Franchise Owner may terminate this Agreement and the Master Franchise effective 30 days after delivery to Franchisor of notice thereof. Any termination of this Agreement and the Franchise by Master Franchise Owner, without complying with the foregoing requirements, or for any reason other than a material breach of this Agreement by Franchisor and Franchisor's failure to cure such material breach within 30 days after receipt of written notice thereof, shall be deemed a termination by Master Franchise Owner without cause.

## D. Rights and Obligations After Termination

### 1. Rights and Duties

Upon Termination of this Agreement for any reason, the parties will have the following rights and obligations:

- a. All Janitorial Franchise Agreements, all Promissory Notes by Janitorial Franchise Owners in favor of Master Franchise Owner and all contracts with Janitorial Customers shall automatically be assigned to Franchisor upon Termination, and Master Franchise Owner shall have no further rights with respect thereto; provided, however, that Master Franchise Owner shall remain solely liable for all debts,

payments and other obligations incurred by Master Franchise Owner prior to the date of Termination (except for lease obligations expressly assumed by Franchisor pursuant to Paragraphs (j) and/or (k) below); and provided, further that Master Franchise Owner shall be entitled to all payments and receivables actually received by Franchisor after the date of Termination for obligations which arose or accrued to Master Franchise Owner prior to the date of Termination (except that Franchisor may apply such payments against Master Franchise Owner's obligations to Franchisor).

- b. Master Franchise Owner shall immediately permit Franchisor to occupy the premises from which Master Franchise Owner has been conducting the Master Franchised Business for the purpose of continuing the operation of the business for the benefit of Franchisor, Janitorial Customers and Janitorial Franchise Owner.
- c. Master Franchise Owner shall immediately turn over to Franchisor all files and records relating to the conduct of the Master Franchise Business, in whatever format Franchisor may reasonably request, including without limitation all records relating to existing, former and prospective Janitorial Customers and Janitorial Franchise Owners.
- d. Franchisor will have no further obligations under this Agreement.
- e. Master Franchise Owner must give Franchisor a final accounting for the Master Franchised Business, pay Franchisor, within 30 days after Termination, all payments due to Franchisor, and return to Franchisor all copies of the Master Franchise Manuals, the Software and any other property belonging to Franchisor, in the possession or under the control of Master Franchise Owner.
- f. Master Franchise Owner must immediately and permanently cease the use of the Trade Name, the Proprietary Marks or any confusingly similar Proprietary Marks, the System, and all advertising, signs, stationery, or forms that bear identifying Proprietary Marks or colors that might give others the impression that Master Franchise Owner is operating a Master Franchised Business.
- g. Master Franchise Owner must promptly sign any documents and take any steps that in the judgment of Franchisor are necessary to delete or assign to Franchisor or its nominee all of Master Franchise Owner's listings in classified telephone directories and all telephone numbers that have been used in the Master Franchise Business, and to terminate all other references that indicate Master Franchise Owner is or ever was associated with Franchisor; by signing this Agreement, Master Franchise Owner irrevocably appoints Franchisor its attorney-in-fact to take the actions described in this Paragraph if Master Franchise Owner does not do so within 7 days after Termination of this Agreement.
- h. Master Franchise Owner must maintain all records required by Franchisor pursuant to this Agreement for a period of not less than 1 year after final payment of any amounts Master Franchise Owner owes to Franchisor when this Agreement is terminated.
- i. Franchisor has an option to purchase any or all of the physical assets of the Master

Franchise Business owned by Master Franchise Owner, including its equipment, furniture, supplies and inventory, valued as of the date of the Termination in the following manner:

- (i) The lower cost or fair market value of the supplies and inventory, whichever is less; and
- (ii) Depreciated value of other tangible personal property calculated on the straight-line method over a 5 year life, less any liens or encumbrances.

Franchisor must send written notice to Master Franchise Owner within 30 days after Termination of this Agreement of its election to exercise the option to purchase. If the parties do not agree on a price within the option period, the option period will be extended for up to 15 business days to permit appraisal by an independent appraiser who is mutually satisfactory to the parties. If the parties fail to agree upon an appraiser within the specified period, each will appoint an appraiser and the 2 appraisers thus appointed will agree on a third appraiser within 60 days after the Termination. Each of the 3 appraisers so selected shall be instructed to render a written appraisal of the value of the physical assets of the Master Franchise Business in accordance with the standards specified above within 15 days after his appointment. The value shall be the average of: (i) the appraisal with a value between the highest and lowest values of the 3 appraisals (the "Middle Appraisal") and (ii) the appraisal with the value closest to the value of the Middle Appraisal. This determination will be final and binding upon both Franchisor and Master Franchise Owner, who will share the costs of the appraisal equally. The sale must be completed within 60 days after the purchase price is determined. Master Franchise Owner must sign a bill of sale and any other documents necessary to complete the sale on the terms set out above.

- j. Franchisor has an option to replace Master Franchise Owner as lessee under any lease for equipment and/or furniture that is used in connection with the Master Franchise Business. Upon request by Franchisor, Master Franchise Owner will give Franchisor copies of the leases for all equipment and furniture used in the Master Franchise Business immediately upon Termination. Upon request by Franchisor, Master Franchise Owner will allow Franchisor the opportunity, at a mutually satisfactory time, to inspect the leased equipment and furniture. Franchisor must request the information and access described in this Paragraph within 15 days after Termination; it must advise Master Franchise Owner of its wish to exercise the option within 15 days after it has received the information. Franchisor may assume an equipment or furniture lease in consideration of its assumption of future obligations under the lease. Upon exercise of this option by Franchisor, Master Franchise Owner will be fully released and discharged from future rents and other future liabilities under the lease if the terms of the lease permit it, but not from any debts to the lessor that already exist on the date when the option is exercised.
- k. Franchisor has an option to replace Master Franchise Owner as lessee or owner of the Approved Location, and of all fixtures that are part of the Approved Location, for the Master Franchise Business. If Master Franchise Owner rents the premises of the Master Franchise Business, Franchisor may assume the lease

in consideration of its assumption of future obligations under the lease. Upon exercise of this option by Franchisor, Master Franchise Owner will be fully released and discharged from future rents and other future liabilities under the lease if the terms of the lease permit it, but not from any debts to the lessor that already exist on the date when the option is exercised. The details of such option to replace Master Franchise Owner as lessee are set-forth in Attachment “5” for details.

E. Franchisor’s Remedies

Master Franchise Owner acknowledges that its violation of any covenant of this Paragraph XVIII (D) will result in irreparable injury to Franchisor for which no adequate remedy at law will be available. Master Franchise Owner accordingly consents to the issuance of an injunction, without a bond, prohibiting any conduct by Master Franchise Owner in violation of such covenant. If this Agreement is terminated because of Master Franchise Owner’s default, the rights of Franchisor described above will not necessarily be Franchisor’s exclusive remedies but will instead supplement any other equitable or legal remedies available to Franchisor, and nothing in this Paragraph will be construed to deprive Franchisor of the right to recover damages as compensation for lost profits.

F. Continuing Obligations

Termination of this Agreement will not extinguish any obligation of either party that has accrued prior to Termination. All obligations of the parties that by their terms or by reasonable implication are to be performed in whole or in part after Termination will continue.

XIX. **ENFORCEMENT**

A. Judicial Enforcement, Injunction and Specific Performance

Franchisor shall have the right to enforce by judicial process its right to terminate this Agreement for the causes enumerated in this Agreement, to collect any amounts owed to Franchisor for any unpaid Royalty Fees, or other unpaid charges due hereunder, arising out of the business conducted by Franchise Owner pursuant hereto, and to pursue any rights it may have under any leases, subleases, sales, purchase, or security agreements or other agreements with Franchise Owner. Franchisor shall be entitled without bond to the entry of temporary or permanent injunctions and orders of specific performance enforcing any of the provisions of this Agreement. If Franchisor secures any such injunction or orders of specific performance, Franchise Owner agrees to pay to Franchisor an amount equal to the aggregate costs of obtaining such relief, including, without limitation, reasonable attorneys’ fees, costs of investigation and proof of facts, court costs, and other litigation expenses and travel and living expenses, and any damages incurred by Franchisor as a result of the breach of any provision of this Agreement.

B. Severability and Substitution of Valid Provisions

All provisions of this Agreement are severable, and this Agreement shall be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and any partially valid and enforceable provisions shall be enforced to the extent valid and enforceable. If any applicable law or rule requires a greater prior notice of the termination of this Agreement than is required hereunder, or requires the taking of some other action not required hereunder, the prior notice or other action required by such law or rule shall be substituted for the notice or other requirements hereof.

C. Master Franchise Owner May Not Withhold Payments Due Franchisor

Master Franchise Owner agrees that he or she will not withhold payments of any Royalty Fees or any other amounts of money owed to Franchisor for any reason on grounds of alleged nonperformance by Franchisor of any obligation hereunder.

D. Rights of Parties Are Cumulative

The rights of Franchisor and Master Franchise Owner hereunder are cumulative, and the exercise or enforcement by Franchisor or Master Franchise Owner of any right or remedy hereunder shall not preclude the exercise or enforcement by Franchisor or Master Franchise Owner of any other right or remedy hereunder which Franchisor or Master Franchise Owner is entitled by law or equity to enforce.

E. Governing Law

Except to the extent governed by the U.S. Trademark Act of 1946 (Lanham Act, 15 U.S.C., Paragraph 1051 et. seq.) this Agreement shall be governed by the laws of the State of North Carolina.

F. Binding Effect

This Agreement is binding upon the parties hereto and their respective permitted assigns and successors in interest.

G. Modification

This instrument contains the entire Agreement between the parties relating to the rights herein granted and the obligations herein assumed. Any oral representations or modifications concerning this Agreement shall be of no force or effect unless a subsequent modification in writing is signed by the parties hereto.

H. Venue

The parties hereto agree that the terms and provisions of this Agreement are to be interpreted in accordance with and governed by the laws of the State of North Carolina and the venue for any proceeding relating to the provisions of this Agreement is to be the State of North Carolina.

XX. **CONSTRUCTION OF MASTER FRANCHISE AGREEMENT**

This Agreement and other agreements or instruments referred to herein or which relate to the purchase or lease by Master Franchise Owner from Franchisor of any fixtures, signs, equipment, merchandise, or the like, constitute the entire agreement of the parties, and there are no other oral or written understandings or agreements between Franchisor and Master Franchise Owner relating to the subject matter of this Agreement. The headings of the several paragraphs and paragraphs hereof are for convenience only and do not define, limit, or construe the contents of those paragraphs. The term "Master Franchise Owner" as used herein is applicable to one or more persons, a corporation or partnership, or such other form of legal entity as Franchisor shall approve from time to time, as the case may be; the singular usage includes the plural; and the masculine and neuter usages include the other and feminine. References to "Master Franchise Owner" applicable to an individual or individuals shall mean the principal owner or owners of the equity or operating control of Master Franchise Owner, if Master Franchise Owner is a corporation or partnership. Nothing in this Agreement requires Master Franchise Owner to waive reliance on the representations made in the Franchise Disclosure Document.

## **XXI. NOTICES**

All written notices permitted or required to be delivered by the provisions of this Agreement or of the Manual shall be deemed so delivered 3 days after placed in the mail, by Registered or Certified Mail, Return Receipt Requested, postage prepaid and addressed to the party to be notified at its most current principal address which the notifying party has on record.

## **XXII. APPROVAL AND GUARANTEES**

Each Substantial Owner of Master Franchise Owner must approve this Agreement, permit Master Franchise Owner to furnish the financial information required by Franchisor, and agree to the confidentiality covenants and other restrictions placed on them, including restrictions on the transferability of their interests in this Agreement and the Master Franchise Business and limitations on their rights to compete, and sign a separate Personal Guaranty of Master Franchise Owner's payments and performance in the form of Attachment "2" to this Agreement.

## **XXIII. ACCEPTANCE BY FRANCHISOR**

This Agreement will not be binding on Franchisor unless and until it has been signed by an authorized officer of Franchisor.

## **XXIV. VARYING STANDARDS**

Because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right and privilege, at its sole and absolute discretion and as it may deem in the best interests of all concerned in any specific instance, to vary standards for any Franchise based upon the peculiarities of a particular site or circumstance, density of population, business potential, population or trade area, existing business practices, or any other condition which Franchisor deems to be of importance to the successful operation of such Master Franchise Owner's business. Master Franchise Owner shall not have any right to complain about a variation from standard specifications and practices granted to any other Master Franchise Owner and shall not be entitled to require Franchisor to grant to Master Franchise Owner a like or similar variation.

## **XXV. SUCCESSORS.**

This agreement shall bind and inure to the benefit of the successors and assigns of Franchisor and shall be personally binding on and inure to the benefit of Master Franchise Owner (including the individuals executing this Agreement on behalf of the Master Franchise Owner entity) and its or their respective heirs, executors, administrators and successors or assigns; provided, however, the foregoing provision shall not be construed to allow a transfer of any interest of Master Franchise Owner in this Agreement or the Master Franchise, except in accordance with the transfer provisions contained herein.

## **XXVI. INVALIDITY OF PART OF AGREEMENT.**

Should any provisions in this Agreement, for any reason, be declared invalid, then such provision shall be invalid only to the extent of the prohibition without in any way invalidating or altering any other provision of this Agreement.

## **XXVII. EFFECT OF WAIVERS.**

No waiver, delay, omission or forbearance on the part of Franchisor to exercise any right, option, duty or power arising from any default or breach by Franchisee shall affect or impair the rights of Franchisor with respect to any subsequent default of the same or of a different ind. Any use by Master Franchise Owner of the System or any part thereof at any place other than in the Territory shall not give Master Franchise Owner any rights not specifically granted hereunder. Failure to take action to stop such use shall not in any event be considered a waiver of the rights of Franchisor at any time to require Master Franchise Owner to restrict said use to the Territory.

## **XXVIII. CONSENT TO DO BUSINESS ELECTRONICALLY.**

The parties to this Agreement hereby consent to do business electronically. Pursuant to the Uniform Electronic Transactions Act, as adopted by the State of South Carolina, the parties hereby affirm to each other that they agree with the terms of this Agreement, and by attaching their digital signature, including any DocuSign signature, to this Agreement, they are executing the document and intending to attach their digital signature to it. Furthermore, the parties acknowledge that the other parties to this Agreement can rely on a digital signature, including a DocuSign signature, as the respective party's signature.

## **XXIX. SPECIAL REPRESENTATIONS**

Master Franchise Owner (and each partner or shareholder if Master Franchise Owner is a partnership or corporation) hereby represents as follows:

- A. That he or she has conducted an independent investigation of the Mint Condition business and System and recognizes that the business venture contemplated by this Agreement involves business risks and that its success will be largely dependent upon the ability of Master Franchise Owner as an independent business person. Franchisor expressly disclaims the making of, and Master Franchise Owner acknowledges that it has not received any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business contemplated by this Agreement.
- B. No representations or promises of any kind have been made by Franchisor to induce Master Franchise Owner to sign this Agreement except those specifically set forth in this Agreement and the Franchise Disclosure Documents that have been delivered to Master Franchise Owner. Master Franchise Owner acknowledges that neither Franchisor nor any other person has guaranteed that Master Franchise Owner will succeed in the operation of the Master Franchise Business or has provided any sales or income projections of any kind to Master Franchise Owner. Master Franchise Owner has made an independent investigation of all-important aspects of the Master Franchise Business. Master Franchise Owner understands that Franchisor is not a Fiduciary and has no special responsibilities beyond the normal responsibilities beyond of a seller in a business transaction.
- C. Master Franchise Owner acknowledges having received, read, and understood this Agreement, including all Attachments or Exhibits hereto; and Master Franchise Owner further acknowledges that Franchisor has accorded Master Franchise Owner ample time and opportunity to consult with advisors of his/her own choosing about the potential benefits and risks of entering into this Agreement.

- D. Master Franchise Owner acknowledges that it has been provided a complete copy of this Agreement, with all attachments referred to herein, and agreements relating hereto, if any, at least 7 calendar days before Master Franchise Owner executed this Agreement with, or make a payment to, Franchisor or an affiliate in connection with the proposed franchise sale; and
- E. Master Franchise Owner also acknowledges that prior to the date of this Agreement, no other Agreement was entered into, no promises were made by Franchisor, and no funds were offered to or accepted by Franchisor.

[signatures on the following page]

IN WITNESS TO THE PROVISIONS OF THIS MASTER FRANCHISE AGREEMENT, the undersigned have signed it to be effective on the date set forth in Attachment “1” to this Agreement.

**FRANCHISOR:**

**Mint Condition Franchise Group, LLC.**

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

**John F. Saumby**  
(Print or type name)

**Its: President** \_\_\_\_\_

**MASTER FRANCHISE OWNER:**

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

\_\_\_\_\_  
(Print or type name)

**Its:** \_\_\_\_\_

## ATTACHMENT "1" TO MASTER FRANCHISE AGREEMENT

### TERMS

A. Master Franchise Owner. Master Franchise Owner is:

\_\_\_\_\_  
(Full Legal Name)

(check one and insert state of formation)

☐ a \_\_\_\_\_ proprietorship  
☐ a \_\_\_\_\_ corporation  
☐ a \_\_\_\_\_ partnership  
☐ a \_\_\_\_\_ limited liability co.

\_\_\_\_\_  
(Street Address)

\_\_\_\_\_  
(City, State, Zip Code)

Telephone Number: (\_\_\_\_) \_\_\_\_\_

Facsimile Number: (\_\_\_\_) \_\_\_\_\_

B. Effective Date. The Effective Date of the Master Franchise Agreement is:

\_\_\_\_\_

C. Territory. Master Franchise Owner's Territory is:

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

D. Initial Fee. The non-refundable Initial Fee payable by Master Franchise Owner to Franchisor upon the execution of the Master Franchise Agreement is:

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

## ATTACHMENT “2” TO MASTER FRANCHISE AGREEMENT

### **GUARANTY OF MASTER FRANCHISE OWNER’S UNDERTAKINGS**

In consideration of, and as an inducement to, the execution of the foregoing Franchise Agreement (the “Agreement”) dated the \_\_\_\_\_, by **Mint Condition Franchise Group, LLC.**, each of the undersigned hereby guarantees jointly and severally unto Mint Condition Franchise Group, LLC., that \_\_\_\_\_ (“Master Franchise Owner”) will perform during the terms of the Agreement each and every covenant, payment, agreement, and undertaking on the part of Master Franchise Owner contained and set forth in such Agreement. The undersigned agrees that all provisions of the Franchise Agreement relating to the obligations of Master Franchise Owners, including, without limitation, the covenants of confidentiality and non-competition and other covenants set forth in the Agreement, shall be binding on the undersigned.

Mint Condition Franchise Group, LLC., its successors and assigns, may from time to time, without notice to the undersigned (a) resort to the undersigned for payment of any of the liabilities, whether or not it or its successors have resorted to any property securing any of the liabilities or proceeded against any other of the undersigned or any party primarily or secondarily liable on any of the liabilities, (b) release or compromise any liability of any of the undersigned hereunder or any liability of any party or parties primarily or secondarily liable on any of the liabilities, and (c) extend, renew or credit any of the liabilities for any period (whether or not longer than the original period); alter, amend, or exchange any of the liabilities; or, give any other form of indulgence whether under the Agreement or not.

The undersigned further waives presentment, demand, notice of dishonor, protest, nonpayment, and all other notices whatsoever, including, without limitation: notice of the acceptance hereof; notice of all contracts and commitments; notice of the existence or creation of any liabilities under the foregoing Agreement and of the amount and terms thereof; and notice of all defaults, disputes or controversies between Master Franchise Owner and Mint Condition Franchise Group, LLC. resulting from such Agreement or otherwise, and the settlement, compromise or adjustment thereof.

The undersigned agrees to pay all expenses paid or incurred by Mint Condition Franchise Group, LLC. in attempting to enforce the foregoing Agreement and this Guaranty against Master Franchise Owner and against the undersigned and in attempting to collect any amounts due thereunder and hereunder, including reasonable attorneys’ fees if such enforcement or collection is by or through an attorney-at-law. Any waiver, extension of time, or other indulgence granted from time to time by Mint Condition Franchise Group, LLC., its agents, successors or assigns, with respect to the foregoing Agreement, shall in no way modify or amend this Guaranty, which shall be continuing, absolute, unconditional and irrevocable. If more than one person has executed this Guaranty, the term “the undersigned,” as used herein, shall refer to each such person, and the liability of each of the undersigned hereunder shall be joint and several and primary as sureties.

[signatures on the following page]

IN WITNESS WHEREOF, each of the undersigned has executed this Guaranty effective as of the date of the foregoing Master Franchise Agreement.

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

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

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

**ATTACHMENT “3” TO MASTER FRANCHISE AGREEMENT**  
**CONFIDENTIALITY AND NONDISCLOSURE AGREEMENT**

THIS AGREEMENT, made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between **Mint Condition Franchise Group, LLC.**, a South Carolina corporation, (hereinafter referred to as "the Company") and \_\_\_\_\_, whose address is \_\_\_\_\_ (hereinafter referred to as "Prospective Master Franchise Owner").

**WITNESSETH THAT:**

WHEREAS, Prospective Master Franchise Owner desires to obtain certain confidential and proprietary information from the Company for the sole purpose of inspecting and analyzing said information in an effort to determine whether to purchase a franchise from the Company; and

WHEREAS, the Company is willing to provide such information to Prospective Franchise Owner for the limited purpose and under the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and promises herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties hereto agree as follows:

1. **DEFINITION.** "Confidential Information" is used herein to mean all information, documentation and devices disclosed to or made available to Prospective Franchise Owner by the Company, whether orally or in writing, as well as any information, documentation or devices heretofore or hereafter produced by Prospective Master Franchise Owner in response to or in reliance on said information, documentation and devices made available by the Company.

2. **TERM.** The parties hereto agree that the restrictions and obligations of Paragraph 3 of this Agreement shall be deemed to have been in effect from the commencement on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, of the ongoing negotiations between Prospective Master Franchise Owner and the Company and continue in perpetuity until disclosed by the Company.

3. **TRADE SECRET ACKNOWLEDGEMENT.** Prospective Master Franchise Owner acknowledges and agrees the Confidential Information is a valuable trade secret of the Company and that any disclosure or unauthorized use thereof will cause irreparable harm and loss to the Company.

4. **TREATMENT OF CONFIDENTIAL INFORMATION.** In consideration of the disclosure to Prospective Master Franchise Owner of Confidential Information, Prospective Master Franchise Owner agrees to treat Confidential Information in confidence and to undertake the following additional obligations with respect thereto:

(a) To use Confidential Information for the sole purpose of inspecting and analyzing the information in an effort to determine whether to purchase a franchise from the Company and solely in its operation of the Company Franchise;

(b) Not to disclose Confidential Information to any third party;

(c) To limit dissemination of Confidential Information to only those of Prospective Franchise Owner's Janitorial Services, directors and employees who have a need to know to perform the limited tasks set forth in Item 4 (a) above; and who have agreed to the terms and obligations of this Agreement by affixing their signatures hereto;

(d) Not to copy Confidential Information or any portions thereof; and

(e) To return Confidential Information and all documents, notes or physical evidence thereof, to the Company upon a determination that Prospective Master Franchise Owner no longer has a need therefore, or a request therefore, from the Company, whichever occurs first.

5. SURVIVAL OF OBLIGATIONS. The restrictions and obligations of this Agreement shall survive any expiration, termination or cancellation of this Agreement and shall continue to bind Prospective Franchise Owner, his heirs, successors and assigns in perpetuity.

6. NEGATION OF LICENSES. Except as expressly set forth herein, no rights to licenses, expressed or implied, are hereby granted to Prospective Master Franchise Owner as a result of or related to this Agreement.

7. APPLICABLE LAW. This Agreement shall be construed and enforced in accordance with the laws of the State of South Carolina.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed.

**MINT CONDITION FRANCHISE GROUP, LLC.**

\_\_\_\_\_  
By: John F. Saumby

Its: President\_\_\_\_\_

\_\_\_\_\_  
(Signature of Prospective Master Franchise Owner)

\_\_\_\_\_  
(Print Name of Prospective Master Franchise Owner)

## ATTACHMENT “4” TO MASTER FRANCHISE AGREEMENT

### NON-DISCLOSURE AND NON-COMPETITION AGREEMENT

This Non-Disclosure and Non-Competition Agreement (this “Agreement”) is made as of this \_\_\_\_\_, by and between \_\_\_\_\_ (“Master Franchise Owner”) and **Mint Condition Franchise Group, LLC.** (“Franchisor”) regarding a Master Franchise Agreement (the “Master Franchise Agreement”) between Master Franchise Owner and (“Franchisor”); and

The undersigned (“Recipient”), who owns 10% or more of the ownership interests in Master Franchise Owner, and/or holds or has been offered a position as an employee of Master Franchise Owner (any such current and future interest or position held by Recipient is hereinafter referred to as the “Position”).

Recipient acknowledges that Master Franchise Owner is entering into this Agreement for itself and for the benefit of Franchisor pursuant to the requirements of the Master Franchise Agreement.

#### RECITALS:

WHEREAS, in connection with his Position, Recipient will have access to, generate, or otherwise come into contact with certain proprietary and/or confidential information and trade secrets of Master Franchise Owner and Franchisor (collectively the “Confidential Information”), including without limitation training materials, programs, methods, techniques, specifications, standards, systems, procedures, base of revenues, sales and marketing programs and strategies, computer software programs, manuals, financial data, knowledge of specifications for and suppliers of equipment, supplies and services, bidding, pricing and billing methods, existing and prospective customer lists and information about them and their service contracts, at any time existing or under consideration, for the operation of Mint Condition regional offices and commercial janitorial and other facility service businesses (the “System”); and

WHEREAS, Recipient, Master Franchise Owner and Franchisor desire to prevent the dissemination or misuse of such Confidential Information;

NOW, THEREFORE, as an inducement to Franchisor to enter into the Master Franchise Agreement with Master Franchise Owner, or to approve a transfer to or the appointment of Recipient, and/or in consideration of Recipient’s employment or continued employment by Master Franchise Owner, Recipient and Master Franchise Owner (on behalf of both Master Franchise Owner and Franchisor) agree as follows:

#### 1. Confidential Information

1.1 Ownership. Recipient acknowledges that Franchisor and/or Master Franchise Owner is/are the sole owner of all the Confidential Information; that the Confidential Information is being imparted to Recipient in trust and confidence and only by reason of Recipient’s Position; and that the Confidential Information is not generally known to the trade or public and is not known to Recipient except by reason of such disclosure. Recipient further acknowledges that Recipient shall acquire no interest in the Confidential Information, other than the right to utilize it in connection with the performance of duties associated with Recipient’s Position. In addition, Recipient acknowledges that the use, duplication or disclosure of the Confidential Information except as expressly permitted by this Agreement shall constitute an unfair method of competition and that Franchisor and Master Franchise Owner shall suffer irreparable injury thereby.

1.2 Confidentiality. All of the Confidential Information and all other information and knowledge about the System which is not in the public domain and such other information and material as Franchisor or

Master Franchise Owner may designate as confidential shall be deemed confidential for purposes of this Agreement. Recipient acknowledges that the Confidential Information is disclosed to Recipient solely on the condition that Recipient agree, and Recipient hereby does agree, that Recipient: (a) will use the Confidential Information in strict accordance with the instructions and directions given by Master Franchise Owner or Franchisor from time to time; (b) will not use the Confidential Information in any other business or capacity; (c) will not, at any time, while holding any Position with Master Franchise Owner or thereafter, in any manner or form, directly or indirectly, disclose, duplicate, license, sell, reveal, divulge, publish or communicate the Confidential Information, or any portion thereof, to any person or entity other than Master Franchise Owner or Franchisor, or employees of Master Franchise Owner or Franchisor who need to have such information in connection with their jobs; (d) will not copy any materials containing the Confidential Information, including without limitation the System manuals and software, without Franchisor's prior written consent; (e) will observe and implement all reasonable procedures imposed from time to time by Franchisor and/or Master Franchise Owner to prevent the unauthorized use and disclosure of the Confidential Information; (f) will keep all System manuals, software and other written materials containing any portion of the Confidential Information in a secure manner and place; and (g) if Recipient is legally compelled to disclose any of the Confidential Information, will do so only if Recipient has used his or her best efforts to afford Franchisor and Master Franchise Owner the opportunity of obtaining appropriate protective orders or other assurances of confidentiality satisfactory to Franchisor and Master Franchise Owner.

1.3 Work Product. Recipient agrees that all documents, papers, notes and other material and work product containing or derived from the Confidential Information or connected with Recipient's Position with Master Franchise Owner shall be Confidential Information. Recipient agrees that he will have no proprietary interest in any work product developed or used by him and arising out of his Position with Master Franchise Owner. Recipient will, from time to time, as may be requested by Master Franchise Owner or Franchisor, do all things which may be necessary to establish or document Master Franchise Owner or Franchisor's ownership of any such work product, including without limitation, execution of assignments.

1.4 Assignment of Improvements. Recipient agrees to disclose promptly to Franchisor any and all inventions, discoveries and improvements, whether or not patentable or copyrightable, conceived or made by Recipient while holding any Position with Master Franchise Owner and related to the commercial janitorial and other facility service business, and Recipient agrees to assign all his interest therein, if any, to Franchisor without compensation. Whenever requested to do so by Franchisor, Recipient will execute any and all applications, assignments or other instruments that Franchisor shall deem necessary to apply for and obtain patents and or/copyrights or to otherwise protect Franchisor's interest therein. These obligations shall continue beyond the termination of Recipient's Position with respect to inventions, discoveries and improvements conceived or made by Recipient while holding any Position with Master Franchise Owner, and shall be binding upon Recipient's assigns and personal representatives.

1.5 Return of Confidential Material. Upon termination of his Position with Master Franchise Owner, Recipient shall promptly return to Master Franchise Owner all copies of any materials containing the Confidential Information and all property belonging to Master Franchise Owner and Franchisor, or either of them, in Recipient's possession, custody of control, including any of such items produced or prepared by Recipient.

## 2. Noncompetition

2.1 Covenant. Recipient recognizes that: (a) the commercial janitorial and other facility services business is very competitive; (b) the Mint Condition System is currently operated in multiple states within the United States and is intended to expand to be national in scope; (c) Recipient by virtue of his or her Position will have access to the Confidential Information and will have close contacts with Mint Condition customers and franchisees for the purpose of maintaining and further developing the business and goodwill of the System; (d)

for these very reasons, the Position also provides Recipient with the attendant ability to divert customer trade and franchisees; and (e) consequently, Franchisor and Master Franchise Owner each have strong legitimate interests in obtaining the covenants herein for the protection of their respective businesses and goodwill. Recipient therefore agrees that, without the express prior written consent of Franchisor and Master Franchise Owner, which either may withhold in its sole and absolute discretion, Recipient shall not, during the Time Period (as defined below), directly or indirectly, engage in, render services or provide financing to, or have any interest in, any Competitive Business (as defined below) located or conducting business within the Area (as defined below).

2.2 Time Period. For the purposes of Paragraph 2.1 of this Agreement, the term “Time Period” shall mean (a) for the period while Recipient holds a Position with Master Franchise Owner; and (b) after the Recipient no longer holds a Position with Master Franchise Owner, for a period of (i) twelve months if Recipient is or ever was an owner of 10% or more of Master Franchise Owner, or (ii) six months if Recipient was never an owner of 10% or more of Master Franchise Owner.

2.3 Competitive Business. For the purposes of Paragraph 2.1 of this Agreement, the term “Competitive Business” shall mean operating, or granting franchises or licenses to others to operate, a business providing janitorial or other facility services to commercial customers.

2.4 Area. For the purposes of Paragraph 2.1 of this Agreement, the term “Area” shall mean (a) the Territory as defined in the Master Franchise Agreement in which Master Franchise Owner provides or provided support and services to Mint Condition customers and franchisees, and (b) a radius of 75 miles from the regional office through which Master Franchise Owner conducts or conducted its Mint Condition business, and (c) a radius of 75 miles from any other Mint Condition regional office operated by Franchisor or any of its other Master Franchise Owner in the state where Master Franchise Owner conducts or conducted its Mint Condition business, and (d) a radius of 75 miles from any other Mint Condition regional office operated by Franchisor, Master Franchise Owner or any of the Franchisor’s other Master Franchise Owner in any other state, and (e) any other country where Franchisor or its affiliates or their franchisees are located or conducting business.

### 3. No Solicitation

3.1 Customers. Recipient agrees that during the time Recipient holds a Position with Master Franchise Owner, and after Recipient’s Position with Master Franchise Owner ends, except for solicitations Recipient makes on behalf of Master Franchise Owner, Recipient will never solicit as a customer for commercial janitorial or other facility services: (a) any Mint Condition customers serviced by Master Franchise Owner or its franchisees during the period Recipient held a Position with Master Franchise Owner, or (b) any other persons or entities who were Mint Condition customers serviced by others during the period Recipient held a Position with Master Franchise Owner. Recipient also agrees that after Recipient no longer holds any Position with Master Franchise Owner, Recipient will not thereafter solicit as a customer for commercial janitorial services any prospective customers to whom Mint Condition had proposals or bids outstanding at the time Recipient’s Position with Master Franchise Owner ended.

3.2 Franchise Owner. Recipient agrees that during the time Recipient holds a Position with Master Franchise Owner, and after Recipient’s Position with Master Franchise Owner ends, except for solicitations Recipient makes on behalf of Master Franchise Owner, Recipient will never solicit as a Franchise Owner or employee to perform commercial janitorial or other facility services: (a) any Mint Condition Franchise Owner of Master Franchise Owner during the period Recipient held a Position with Master Franchise Owner, or (b) any Mint Condition Franchise Owner of Franchisor or any other master Franchise Owner during the period Recipient held a Position with Master Franchise Owner.

### 4. Modification

The covenants set forth in this Agreement shall each be construed as independent of any other covenant or provision of this or any other agreement. Franchisor may reduce the scope of the obligations under the covenants of this Agreement unilaterally and without the consent of any other person or entity, effective upon giving notice thereof to Master Franchise Owner and Recipient.

## 5. Remedies

5.1 Acknowledgements. Recipient acknowledges and agrees that in the event of the termination of Recipient's Position with Master Franchise Owner, Recipient's experience and capabilities are such that the Recipient can obtain employment and engage in business activities which are of a different or non-competing nature from those of the Position; and that the enforcement of a remedy of injunction will not prevent Recipient from earning a reasonable living. Recipient further acknowledges and agrees that the covenants contained in this Agreement are necessary for the protection of Master Franchise Owner's and Franchisor's legitimate business interests and are reasonable in scope and in content.

5.2 Trade Secret Laws. The remedies set forth in this Agreement are in addition to and cumulative of any rights or remedies that may be available to Franchisor and/or Master Franchise Owner under any applicable laws relating to trade secrets and/or unfair competition, and nothing contained in this Agreement shall be construed as a waiver of any rights or remedies available to Franchisor and/or Master Franchise Owner under any applicable law.

5.3 Injunctive Relief. In the event of an actual or threatened breach by Recipient of any of the provisions of this Agreement, Master Franchise Owner and Franchisor, or either of them, or their agents, shall immediately be entitled to injunctive relief, without posting bond, restraining Recipient from the breach or threatened breach without having to show any actual damage. It is specifically agreed that Master Franchise Owner and Franchisor, or either of them, may incur incalculable and irreparable damage from such violation, and that Master Franchise Owner and Franchisor, or either of them, have no adequate remedy at law and are entitled to injunctive relief, without bond, for any such actual or threatened violation. Nothing herein shall be construed as prohibiting Master Franchise Owner and Franchisor, or either of them, from pursuing any other available remedies for such breach.

## 6. Survival

The provisions of this Agreement shall survive the expiration or termination of any agreement or relationship between Master Franchise Owner and Recipient for any reason, and shall be enforceable, notwithstanding the existence of any claim or cause of action of Recipient against Master Franchise Owner and Franchisor, or either of them, predicated on any contact or other basis whatsoever.

## 7. Severability

In the event any term or provision of this Agreement is declared to be invalid or unenforceable for any reason, the provision shall be modified to the extent necessary to make it enforceable, or if it cannot be so modified, then severed, and the remaining terms of this Agreement shall remain in full force and effect, and it is hereby declared the intention of the parties that they would have executed the Agreement as so modified.

## 8. Notice

Any notice to be given to Recipient under this Agreement will be sufficient and deemed deliverable if it is in writing and delivered to the U.S. Post Office to be sent prepaid by certified or registered mail addressed to Recipient at his or her residential address as provided below, or to such other residential address as Recipient shall have provided in writing to both Master Franchise Owner and Franchisor.

9. General

Except as otherwise expressly stated herein, this Agreement contains the entire understanding between the parties with respect to the subjects hereof, and supersedes all prior oral and written negotiations and agreements. Except as provided in Paragraph 4 of this Agreement, this Agreement may be amended only by an instrument in writing signed by Master Franchise Owner and Recipient and approved in writing by Franchisor. The waiver of any breach or violation of this Agreement shall not be deemed to amend this Agreement and shall not constitute a waiver of any other or subsequent breach. Headings are for convenience and shall not limit or control interpretation. Words in this Agreement shall be deemed to refer to whatever number and gender the context requires. This Agreement shall be governed by the laws of the state in which Master Franchise Owner's Mint Condition business is conducted. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their successors and assigns. Franchisor shall be a third party beneficiary of this Agreement and entitled to enforce it as though Franchisor were a signatory. Should Franchisor or Master Franchise Owner be required to enforce its rights hereunder, it shall be entitled to recover its reasonable costs and expenses, including without limitation attorneys' fees.

Dated: \_\_\_\_\_

[signatures on the following page]

**RECIPIENT**

(Individually, and on behalf of all persons entities under Recipient’s control):

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name Printed or Typed)

Position(s) with Master Franchise Owner  
(check all that apply and fill in blanks):

☐ \_\_\_\_\_ % Owner  
☐ Director  
☐ Officer \_\_\_\_\_  
(provide title)

☐ Manager  
☐ Assistant Manager  
☐ Other \_\_\_\_\_ (specify)

\_\_\_\_\_  
(Residential Street Address)

\_\_\_\_\_  
(City, State, Zip Code)

**ACCEPTED BY MASTER FRANCHISE OWNER**

(For itself and on behalf of Franchisor):

\_\_\_\_\_  
(Full Legal Name of Master Franchise Owner)

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name Printed or Typed)

Its: \_\_\_\_\_  
(Title)

## ATTACHMENT “5” TO MASTER FRANCHISE AGREEMENT

### AGREEMENT FOR ASSIGNMENT OF OFFICE LEASE

THIS AGREEMENT FOR ASSIGNMENT OF OFFICE LEASE (this “Agreement”) is made and to be effective as of this \_\_\_\_\_, by and among **Mint Condition Franchise Group, LLC.**, a South Carolina corporation (“Mint Condition”), and \_\_\_\_\_ (“Lessee”), and \_\_\_\_\_ (“Lessor”), with respect to the lease (“Lease”) by Lessor to Lessee of premises located at \_\_\_\_\_ (the “Approved Location”) for the operation of a Mint Condition Master Franchised Business.

1. Assignment. Lessee hereby assigns to Mint Condition all of its rights and interests in and to the Lease; provided, however, that the assignment will become effective only upon Mint Condition’s exercise of the option granted to Mint Condition under Paragraph 3 below. Mint Condition will have the right, in its sole discretion, to exercise the option if either of the two events specified in subparagraphs 1.1 or 1.2 occurs.

1.1 Default Under Lease. If Lessee defaults in the performance of any material term of the Lease, Lessor agrees to notify Mint Condition of the default at the same time and in the same manner as it notifies Lessee. Mint Condition will then have 30 days from its receipt of the notice to exercise its option. If Mint Condition does not exercise the option, Lessor may terminate the Lease at the expiration of 30 days from Mint Condition’s receipt of the notice of default. Mint Condition will indemnify Lessor against all losses of rent suffered by Lessor as a result of the delay (beyond any time period required under the terms of the Lease or by applicable state law) in terminating the Lease caused by this subparagraph.

1.2 Termination of Master Franchise Agreement. Mint Condition may exercise its option immediately upon the termination of the Master Franchise Agreement.

2. Consent to Assignment. This Agreement will remain in effect during the entire term of the Lease and any and all renewals or extensions of the Lease. Lessor agrees that the Lease may not be amended, assigned, extended, renewed or surrendered, nor may the Approved Location, or any part of it, be sublet, nor may the Lease, or any interest in it be assigned or encumbered by Lessee, without the prior written consent of Mint Condition.

3. Exercise of Option by Mint Condition. Mint Condition may exercise the option granted in this Agreement by giving written notice to Lessee and Lessor. Lessee must vacate the premises immediately upon receiving the notice.

4. Further Assignment to New Master Franchise Owner. Upon notice to Lessor, Mint Condition shall have the right, concurrently with or subsequent to Mint Condition’s exercise of the option granted in this Agreement, and without having to obtain any further consent from Lessor, to assign its rights under the Lease to a new, substitute Master Franchise Owner to operate the Mint Condition’s Master Franchise business, as selected by Mint Condition.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement for Assignment of Office Lease to be effective as of the date set out in the opening paragraph.

[signatures on the following page]

**MASTER FRANCHISE OWNER:**

\_\_\_\_\_  
(signature)

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

**Its:** \_\_\_\_\_

**FRANCHISOR: (“MINT CONDITION”)**

**Mint Condition Franchise Group, LLC.**

\_\_\_\_\_  
(signature)

**By:** John F. Saumby

**Its:** President

**LESSOR:**

\_\_\_\_\_  
(signature)

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

**Its:** \_\_\_\_\_

## ATTACHMENT “6” TO MASTER FRANCHISE AGREEMENT

### SUCCESSOR AGREEMENT ADDENDUM TO

#### Mint Condition Master Franchise Agreement

This Successor Agreement Addendum (“Addendum”) is made this \_\_\_\_\_, by and between \_\_\_\_\_, a \_\_\_\_\_ limited liability company (or corporation), with its principal place of business located at \_\_\_\_\_, and \_\_\_\_\_ the guarantor(s) of the obligations of \_\_\_\_\_ (collectively referred to as “Master Franchisee”), and **Mint Condition Franchise Group, LLC**, a South Carolina corporation with its corporate headquarters located at 1057 Red Ventures Drive, Fort Mill, South Carolina 29707 (“Franchisor”).

WHEREAS, Master Franchisee and Franchisor entered into that one certain original master Franchise Agreement on or about \_\_\_\_\_ (“Original Agreement”), which granted to Master Franchisee the right to become a Mint Condition master franchisee within a specific territory for the initial term of 10 years (“Franchise”);

WHEREAS, the Original Agreement provided that Master Franchisee could renew its master franchise provided that it met certain requirements and under took certain obligations as part of the Successor Agreement process, which includes, but is not limited to (i) Master Franchisee sign the Franchisor’s then current form of Master Franchise Agreement (“Franchise Agreement”); (ii) the Master Franchisee pay a Successor Agreement Fee in the amount of \$\_\_\_\_\_, which reflects 10% of the then required master Initial Franchise Fee or \$10,000, whichever is greater (“Successor Agreement Fee”); and (iii) Master Franchisee sign a general release (“Release”);

WHEREAS, the purpose of this Addendum is to clarify and modify any terms of the Master Franchise Agreement that would not apply to a Master Franchisee that is signing the Master Franchise Agreement in conjunction with the Successor term of their master franchise.

NOW THEREFORE, in consideration for the mutual covenants contained herein and other good and valuable consideration, the sum and sufficiency of which is hereby acknowledged and agreed, the parties to this Addendum agree as follows:

1. The Effective date of this Addendum shall be the same as the effective date of the Master Franchise Agreement, whether or not it is signed before or after the date of the Master Franchise Agreement (“Effective Date”).

2. If there arises a conflict between the terms of this Addendum and the governing Master Franchise Agreement the terms of this Addendum shall control. Unless otherwise modified by this Addendum the terms of the Master Franchise Agreement shall remain in full force and effect, un-modified, and un-cancelled.

3. Section V(C), Services to Master Franchise Owner (Initial Training). Notwithstanding the language set forth in this section, as the Master Franchisee is renewing its master franchise and is not required to re-attend the initial training program, this section of the Master Franchise Agreement for purposes of the Successor Agreement is deleted in its entirety and replaced with the following language:

“Franchisor will make available such other training or re-training programs as the Franchisor deems appropriate.”

4. Section V(B), Services to Master Franchise Owner (Master Franchise Manuals). Notwithstanding the language contained in this Section of the Master Franchise Agreement, Master Franchisee acknowledges that it received the Manual during the initial term of the Master Franchise Agreement, and therefore it is not necessary for the Franchisor to provide the Master Franchisee with another or additional Manual. Accordingly, the language in this section shall be amended to read as follows: “Master Franchisee has already received a copy of the Manual for its use during the Successor term of the Master Franchise Agreement and understands that the Manual has been loaned to the Master Franchisee and that it does not own the Manual, and shall continue to treat it as being confidential.”

5. Section VI(A), Payments By Master Franchise Owner. As Master Franchisee paid the initial master franchise fee at the time that it signed the Master Franchise Agreement for the initial term of the Master Franchise Agreement, Section VI(A) of the Master Franchise Agreement for the Successor term of this franchise shall be deleted in its entirety.

6. Section XVIII(B)(1)(b), Termination of Master Franchise Agreement (Acts of Default). The language in this section shall be deleted in its entirety.

7. Section IV(B), Term and Successor Agreements (Release). In accordance with the requirements set forth in Section IV(B) of the Original Agreement, Master Franchisee does for itself, its successors and assigns, hereby release and forever discharge generally the Franchisor and any affiliate, wholly owned or controlled corporation, subsidiary, successor or assign thereof and any shareholder, officer, director, employee, or agent or any of them, from any and all claims, demands, damages, injuries, agreements and contracts, indebtedness, accounts of every kind or nature, whether presently known or unknown, suspected, unsuspected, disclosed or undisclosed, actual or potential, which Master Franchisee may now have or may hereafter claim to have or to have acquired against them or whatever source or origin arising out of or related to any and all transactions of any kind or character at any time relating to the Original Agreement and/or the master franchise relationship that existed prior to and including the Effective Date of the Master Franchise Agreement hereof, including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and anti-trust statutes, rules or regulations, in any way arising out of or connected with the Original Agreement.

Master Franchisee acknowledges and warrants that his, her, or its giving of this release is free and voluntary.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto, intending the legally bound hereby, have executed this Addendum effective as of the date first above written.

**FRANCHISOR**

**Mint Condition Franchise Group, LLC**

**WITNESS**

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

\_\_\_\_\_

**Name:** John F. Saumby

**Title:** President

**MASTER FRANCHISEE**

**WITNESS**

\_\_\_\_\_

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

\_\_\_\_\_

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

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

**Guarantor**

**WITNESS**

\_\_\_\_\_

\_\_\_\_\_

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

**EXHIBIT B-1**  
**TO MASTER FRANCHISE AGREEMENT**

**INDIVIDUAL FRANCHISE AGREEMENT TEMPLATE**

**EXHIBIT C**  
**FRANCHISE AGREEMENT**

THIS AGREEMENT made as of the \_\_\_\_\_,

by and between:

\_\_\_\_\_

("Franchisor")

and

\_\_\_\_\_

("Franchisee")

## TABLE OF CONTENTS

<u>SECTION</u>	<u>PAGE #</u>
I. <u>Grant</u> .....	3
II. <u>Term and Successor Agreement</u> .....	4
III. <u>Duties of Franchisor</u> .....	5
IV. <u>Fees</u> .....	5
V. <u>Offer of Initial Business</u> .....	6
VI. <u>Revenue Replacement Program</u> .....	7
VII. <u>Accounting Fee-Cash Flow Assistance Plan</u> .....	8
VIII. <u>Insurance Plan and Requirements</u> .....	9
IX. <u>Offer of Additional Business</u> .....	10
X. <u>Duties of Franchisee</u> .....	10
XI. <u>Claims Statement</u> .....	14
XII. <u>Proprietary Marks and Trade Dress</u> .....	14
XIII. <u>Confidential Operations Manual</u> .....	16
XIV. <u>Confidential Information</u> .....	16
XV. <u>Accounting and Records</u> .....	17
XVI. <u>Transfer</u> .....	17
XVII. <u>Default and Termination</u> .....	20
XVIII. <u>Obligations Upon Termination or Expiration</u> .....	22
XIX. <u>Covenants</u> .....	23
XX. <u>Force Majeure</u> .....	24
XXI. <u>Permits and Government Action</u> .....	24
XXII. <u>Independent Contractor and Indemnification</u> .....	25
XXIII. <u>Approvals and Waivers</u> .....	26
XXIV. <u>Notices</u> .....	26
XXV. <u>Entire Agreement</u> .....	26
XXVI. <u>Severability and Construction</u> .....	26
XXVII. <u>Applicable Law</u> .....	27
XXVIII. <u>Acknowledgements</u> .....	28

### ATTACHMENTS

Attachment 1	Territory
Attachment 2	Disclosure of Ownership Interests
Attachment 3	Promissory Note
Attachment 4	Owners' Personal Guaranty
Attachment 5	Assignment of Franchise Agreement
Attachment 6	Confidentiality and Nondisclosure Agreement

## MINT CONDITION OF CHARLOTTE, INC. FRANCHISE AGREEMENT

This Franchise Agreement (“Agreement”) is made and entered into as of \_\_\_\_\_, between **MINT CONDITION OF CHARLOTTE, INC.**, a North Carolina corporation (“Franchisor”), and \_\_\_\_\_, a(n) \_\_\_\_\_, with its principal place of business located at \_\_\_\_\_ and \_\_\_\_\_’s principal(s) \_\_\_\_\_ an individual residing at \_\_\_\_\_ and \_\_\_\_\_ an individual residing at \_\_\_\_\_ (“Principal(s)”). \_\_\_\_\_ And Principal(s) shall be collectively referred to in this Agreement as “Franchisee”

WHEREAS, Franchisor, as the result of the expenditure of time, skill, effort, and money, has developed and owns a unique and distinctive system (hereinafter “System” or “Mint Condition System”) relating to the establishment and operation of janitorial and cleaning businesses;

WHEREAS, Franchisor has developed, operates and licenses a system or business program, including know-how for operating the Franchisor’s System under the registered mark “Mint Condition” which include methods of operating, training, an operating manual; unique promotional programs; all of which may be changed, improved and further developed by Franchisor from time to time; and

WHEREAS, Franchisor identifies the Mint Condition System by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including but not limited to the mark “MINT CONDITION®”, and such other trade names, service marks, and trademarks as are now designated (and may hereafter be designated by Franchisor in writing) for use in connection with the Mint Condition System (hereinafter referred to as “Proprietary Marks”);

WHEREAS, Franchisor continues to develop, use, and control the use of such Proprietary Marks in order to identify for the public the source of services marketed thereunder and under the Mint Condition System, and to represent the System’s high standards of quality and service;

WHEREAS, Franchisee desires to enter into the business of operating a Mint Condition business under the Mint Condition System and wishes to obtain a franchise from Franchisor for that purpose, as well as to receive the training and other assistance provided by Franchisor in connection therewith; and

WHEREAS, Franchisee understands and acknowledges the importance of Franchisor’s high standards of quality and service and the necessity of operating the business franchised hereunder in conformity with Franchisor’s standards and specifications.

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party set forth herein, hereby agree as follows:

### I. Grant

A. Franchisor hereby grants to Franchisee, upon the terms and conditions herein contained, the non-exclusive right and franchise, and Franchisee undertakes the obligation, to operate a Mint Condition Franchised Business (hereinafter referred to as “Franchised Business”) and to do so solely in connection with the Proprietary Marks, and the Mint Condition System, as they may be changed, improved, and further developed from time to time.

B. The franchise granted to Franchisee permits Franchisee only the right to operate and to serve Franchisor’s customers (“Customers”) within a non-exclusive geographical territory (“Non-exclusive Territory”) described in Schedule “A” attached hereto.

C. Franchisee acknowledges that Franchisor, its affiliates defined as-any person or entity that directly or indirectly owns or controls the referenced party that is directly or indirectly owned or controlled by the referenced party, or that is under common control with the referenced party (“Affiliate”), subcontractors, successors and assigns, and other Mint Condition franchisees shall have the ongoing right to operate within Franchisee’s Non-exclusive Territory. Except as otherwise expressly provided in this Agreement, we and our Affiliates reserve all of our respective rights and discretion with respect to the Marks, the System and Mint Condition Franchised Business anywhere in the world, and the right to engage in any business whatsoever, including: (a) the right to operate, and grant to others the right to operate janitorial service businesses at such locations, in such markets, and on such terms and conditions as we deem appropriate; (b) the right to acquire, merge or consolidate with, be acquired by, operate and expand businesses; (c) to offer the same or similar services that you are authorized at your Business through other channels of distribution, including, but not limited to internet offered services; and (d) to operate janitorial services in special locations inside your territory, which would include public domains such as stadiums, airports, train terminals and the like

## II. Term and Successor Agreement

A. Term. Except as otherwise provided herein, the initial term of this Agreement shall expire 10 years from the date of this Agreement. Franchisee shall have the right to enter into a successor term of its franchise, as set forth in this Agreement.

B. Successor Agreement. You have the right, subject to the conditions contained in this Article II(B), to acquire a successor franchise for your Business on the terms and conditions of our then-current form of Franchise Agreement, if upon expiration of the Term: (a) you and your owners and Affiliates are in compliance with this Agreement and all other agreements with us or any of our Affiliates, and you and your owners have been in substantial compliance with this Agreement throughout the Term; and (b) you maintain the right to possession of your Mint Condition franchised Business for the term of the successor franchise agreement and enter into an agreement with us whereby you agree within a specified time period, starting on the date of signing of a successor franchise agreement, to add or replace equipment and signs and otherwise upgrade your Business to the specifications and standards then applicable for new Businesses.

In order to obtain a successor franchise, you agree to give us notice of your desire to acquire a successor franchise no more than 12 months prior to the expiration of the effective term of the Agreement, and not less than 6 months prior to the expiration of the Term, in order to provide us sufficient time to conduct a Successor term inspection of your Business. We agree to give you notice, not later than 60 days after receipt of your notice, of our decision whether you have the right to acquire a successor franchise pursuant to this Article II(B). Notwithstanding that our notice may state that you have the right to acquire a successor franchise for your Business, and that you and we may have executed a successor franchise agreement, your right to a successor franchise will be subject to your continued compliance with all the provisions of this Agreement up to the date of its expiration.

If you have the right to acquire a successor franchise, and state your intent to exercise that right, all in accordance with this Article II(B), then: (a) we and you (and your owners) will execute a Successor Franchise Agreement, together with our standard Successor Agreement addendum (as defined below); (b) you will be obligated to pay a successor franchise fee of 10% of the then required initial franchise fee reflected in the current amount of gross monthly revenue in existence at the time of your successor term, less a 10% discount if you served in the US military and received an honorable discharge; (c) attend such refresher training as we may require; and (d) you and your owners will be obligated to execute release agreements, in form and substance satisfactory to us, releasing us and our Affiliates, stockholders, officers, directors, employees, agents, successors and assigns from any and all claims relating to this Agreement. Failure by you (and your owners) to sign such agreements and releases, or to pay the successor franchise fee, within 30 days after such documents are delivered to you will be deemed an election by you not to acquire a successor franchise for your Business.

The term “Successor Franchise Agreement” shall mean our then-current form of franchise agreement and our standard Successor Agreement addendum, which may contain provisions materially different from those

contained herein, except that it will not reduce the size of your Territory. The term of your successor Franchise Agreement shall be for ten (10) years. After the end of the successor Franchise Agreement you shall not be granted any additional successor franchise rights. The term "Successor Franchise Agreement" shall also include all ancillary agreements (including personal guarantees by your owners, and officers if we deem it to be necessary, and any successor franchise agreement addendum that we deem to be necessary.

### III. Duties of Franchisor

A. Franchisor shall provide an initial training program to instruct Franchisee as to the procedures and techniques to be utilized at the Franchised Business in order that Franchisee become familiar with the System and shall make available such other training or re-training programs as Franchisor deems appropriate.

B. Franchisor shall advise and consult with Franchisee in connection with the operation of new developments, techniques and improvements in the provision of janitorial and cleaning services and the operation of the Franchised Business.

C. Franchisor shall use reasonable efforts to seek Customer accounts, which shall at all times remain Franchisor's accounts and Customers, from which Franchisor may offer Franchisee the right to provide janitorial services, under the terms and conditions of Franchisor's Initial Business Program, and when applicable, under the Revenue Replacement Program.

D. Franchisor shall provide to Franchisee, on loan, either one printed copy of the Manual as more fully described in Paragraph IX. hereof ("Manual"), or otherwise provide Franchisee with electronic access to the Manual.

E. In the interest of maintaining high standards of quality and service, Franchisor may conduct, as it deems advisable, inspections or review of Franchisee's work and evaluations of the services rendered by the Franchisee in the Franchised Business.

### IV. Fees

A. Franchisee shall pay to Franchisor a Franchise Fee at the time this Agreement is executed in the amount shown in Schedule "A" of this Agreement, payable in part in cash, and in part, under the terms of a Promissory Note, the form of which is attached as Schedule "C" of this Agreement.

The Franchise Fee has been determined by the amount of Initial Business, as defined in Paragraph V., upon which Franchisor and Franchisee have agreed. Except as otherwise provided in this Agreement, the Franchise Fee shall be deemed fully earned by Franchisor and nonrefundable in consideration of administrative and other expenses incurred by Franchisor in granting this franchise and for Franchisor's lost or deferred opportunity to franchise to others, except as expressly provided otherwise in this Agreement.

B. Franchisee shall pay to Franchisor a continuing monthly Royalty Fee in an amount equal to 9% of the Gross Monthly Revenues of the Franchised Business, as defined in Paragraph IV.H. hereof.

C. Franchisee shall pay to Franchisor a continuing monthly Revenue Replacement Fee equal to 9% of the Gross Monthly Revenues of the Franchised Business as the program is described in Paragraph VI. hereof.

D. Franchisee shall pay to Franchisor a continuing monthly Accounting Fee-Cash Flow Assistance Plan, equal to 8% of the Gross Monthly Revenues of the Franchised Business as the program is described in Paragraph VII.

E. If Franchisee participates in Franchisor's Insurance Plan, Franchisee shall pay to Franchisor a continuing monthly Insurance Plan Fee equal to 4% of the Gross Monthly Revenues of the Franchised Business as the program is described in Paragraph VIII.

F. If, from time to time, Franchisor, in its sole discretion, offers Franchisee the opportunity to perform additional janitorial services to Franchisor's Customers after the Initial Business obligation of Franchisor is fulfilled ("Additional Business"), and Franchisee accepts Franchisor's offer of such Additional Business, Franchisee shall pay a Business Procurement Fee calculated as twice the Gross Monthly Revenues represented by the Additional Business (in addition to Royalty Fees, Revenue Replacement Fees, Accounting Fee-Cash Flow Assistance Plan and fees under the Insurance Plan on Gross Monthly Revenues represented by the Additional Business);

G. All monthly payments required to be paid by Franchisee to Franchisor by this Paragraph IV., together with any other amounts owed to Franchisor by Franchisee, shall be withheld from Gross Monthly Revenues paid by Customers to Franchisor prior to any payment made to Franchisee.

H. As used in this Agreement, "Gross Monthly Revenues" shall include, on a monthly basis, all revenue, cash or credit, paid by Customers to Franchisor for janitorial services performed ("Gross Monthly Revenues"), but shall not include revenues derived from Periodic Business (defined as carpet extraction, stripping and scrubbing, tile floors, window cleaning, day porters, and services other than contract janitorial services), or the sale of supplies to Customers, that include rest room and cleaning supplies, and shall not include any sales taxes, use taxes or any other taxes collected from Customers for transmittal to the appropriate taxing authority.

I. Periodic Business and the sale of supplies to Customers are not included in the janitorial services to be performed by Franchisee, and revenues from these services shall be retained by the Franchisor. Periodic Business and the sale of supplies to Customers may be directly provided by Franchisor, its affiliates, its subcontractors and its affiliates, or other affiliates. Franchisor shall have no obligation to offer Periodic Business or the sale of supplies to Franchisee, but if Franchisor opts to offer such opportunities to service to Franchisee it shall be offered as a subcontract apart from the fees described in this Paragraph IV.

V. Offer of Initial Business

A. Franchisor and Franchisee have agreed upon a minimum amount of Gross Monthly Revenues arising from janitorial services to be performed for Customers by Franchisee (the "Initial Business"). The amount of this Initial Business, as agreed by Franchisor and Franchisee, is set forth in Schedule "A" of this Agreement. The Initial Business may consist of revenues arising from contracts with Franchisor's Customers in varying amounts and may involve multiple contracts with multiple Customers.

B. Franchisor shall endeavor to offer the Initial Business within the stated time set forth in Schedule "A" ("Initial Offering Period") within Franchisee's Nonexclusive Territory. The Initial Offering Period shall commence when Franchisee has obtained all required supplies and equipment and has completed, to Franchisor's satisfaction, the Mint Condition training program.

C. If Franchisor fails to offer the applicable Initial Business (as shown on Schedule "A") to Franchisee prior to expiration of the Initial Offering Period (as shown on Schedule "A"), then the Initial Offering Period shall be automatically extended for 90 days. At the end of the ninety-day extension period, if the Franchisor has not offered to the Franchisee the applicable Initial Business, then the Franchisee must, on or before the expiration of 10 days from the end of such extension period, request a further extension from Franchisor, which will not be unreasonably withheld. If Franchisee has not requested such further extension, then Franchisor shall not be considered in breach of its obligations under the Agreement, and Franchisor's obligations shall be expressly limited to a credit to Franchisee's account, which Franchisor will process 10 days after the end of the 90-day extension period for the monthly amount of the Initial Business that Franchisor did not offer to Franchisee during the Initial Offering Period, or during any extension of the Initial Offering Period. Franchisor's obligation to offer Gross Monthly Revenues to Franchisee equal to the Initial Business are expressly subject to the terms and conditions stated in Paragraphs V. in its entirety and other provisions of this Agreement.

For purposes of illustration only, if Franchisee signed a Promissory Note for \$3,500 as part of his or her payment of a Franchise Fee, and the agreed amount of Initial Business is \$2,000, but Franchisor only has offered Franchisee \$1,500 of Initial Business within the Initial Offering Period or extension of the Initial Offering Period, Franchisor would owe Franchisee a credit of \$500 applied to the balance of any Promissory Note outstanding or any other fees or amounts owed to Franchisor, illustrated further as follows:

AMOUNT	DESCRIPTION
\$ 2,000	Amount of Initial Business
<u>\$-1,500</u>	Amount actually offered
\$ 500	Amount of Initial Business not offered
 \$ 500	 Total credit (to be applied to balance of any Promissory Note outstanding, or any fees or amounts owed to us)

D. Franchisor shall have the entire Initial Offering Period to offer Franchisee the Initial Business. The Franchisor will make a good faith effort to secure and offer Franchisee the opportunity to provide janitorial services to Customers in the amount of the Initial Business prior to the expiration of the Initial Offering Period.; however, the Franchisor is not obligated to offer any portion of the Initial Business prior to the end of the Initial Offering Period or extension of the Initial Offering Period. Franchisee may accept or reject Franchisor's offer of Initial Business; however, all Gross Monthly Revenues offered by Franchisor to Franchisee will be credited towards the minimum amount of Initial Business of which Franchisor is required to offer, whether or not Franchisee accepts or declines the business offered. New business from existing Customers that Franchisee services during the Initial Offering Period also will be credited toward Franchisor's obligation to provide Initial Business to Franchisee.

E. If Customer cancels or fails to renew a contract due to Franchisee's poor performance, or if Franchisee is removed by Franchisor from providing janitorial services to a Customer account because of inadequate performance, as determined by Franchisor, Franchisee's alleged theft or other similar act, Franchisee's key loss or triggering of false alarms, or Franchisee's failure to service such Customer properly or Franchisee's failure to comply with the Franchisor's policies and procedures; or if any of these factors are contributing factors to the loss of a Customer account, Franchisor shall have no obligation to Franchisee to replace the lost revenues as part of the Initial Business, and Franchisor shall have no obligation to refund or credit any portion of the Franchise Fee including any amounts owed under a Promissory Note.

#### VI. Revenue Replacement Program

A. If Franchisor loses a Customer account (either obtained as part of Initial Business or Additional Business), or if Franchisee is removed by Franchisor from servicing an account by Franchisor, and the lost revenues are part of the Initial Business serviced by Franchisee, or are part of Additional Business offered and accepted by Franchisee; and if the loss of the Customer account, or Franchisee's removal from servicing a Customer account are through no fault of the Franchisee, as determined by the Franchisor in its sole discretion; then Franchisor shall, at Franchisor's option, either (1) replace the lost monthly revenue with other janitorial service opportunities that have at least the same monthly payable amounts as those amounts lost ("Replacement Revenue"); or, (2) refund or credit the pro-rated value of the lost monthly revenues no later than 180 days from the loss of the Customer account ("Replacement Period"), utilizing the formula below in Paragraph VI.B. Franchisor shall have no obligation to refund lost revenue to Franchisee during the Replacement Period. The Manual may set forth additional requirements and conditions governing the Revenue Replacement Program which shall be binding and may change from time to time.

B. If the Franchisor has not offered Replacement Revenue to Franchisee of equal or greater value to those monthly revenues lost within the Replacement Period, then Franchisor shall refund the prorated value of the lost monthly revenues, to Franchisee as follows: the refund made to Franchisee shall be equal to the one-time monthly gross monthly revenue that was lost and not replaced multiplied by the percentage of the time remaining during the term of the Franchise Agreement, based on the date that the revenue was lost. Payment of this prorated

refund shall be in satisfaction of any and all obligations of Franchisor to replace lost janitorial revenues. Franchisor shall have no obligation to compensate Franchisee for any period of lost revenue by Franchisee prior to the expiration of the Replacement Period and Franchisee shall have no claim or right to compensation arising from the time prior to the expiration of the Replacement Period.

For purposes of illustration, if monthly revenues in the amount of \$500 are lost in the fourth year of the term of the Franchise Agreement; and if the lost revenues otherwise qualify for replacement under the Revenue Replacement Program, and no Replacement Revenue is offered by Franchisor during the Replacement Period, then the amount of the refund to Franchisee shall be calculated as follows (\$500 x 70% = \$350 refund):

<u>Completed Years</u>	<u>% of Refund</u>	<u>Completed Years</u>	<u>% of Refund</u>
1	90%	6	40%
2	80%	7	30%
3	70%	8	20%
4	60%	9	10%
5	50%	10	0%
(Less than 1 Complete Year: 100% refund)			

C. Any refund due to Franchisee under the Revenue Replacement Program shall be first applied as a credit against any amounts owed to Franchisor, including credits against principal owed under Promissory Notes to Franchisor, and any fees, penalties or other indebtedness or obligations of Franchisee to Franchisor. Franchisor shall have sole discretion as to the application of any credits against obligations of Franchisee to Franchisor.

D. As a condition to receipt of any Replacement Revenue, Franchisee shall acknowledge in writing any Replacement Revenue made by Franchisor, and shall release in writing all prior claims, demands, obligations or liabilities of Franchisor and its officers and employees, utilizing such forms of acknowledgement and release that are acceptable to Franchisor.

E. Notwithstanding anything to the contrary contained in this Agreement, Franchisor shall have no obligation to replace or refund any portion of lost revenues, if the account was lost due to the fault of Franchisee, or the Franchisee's actions were a contributing factor in the loss of the account, or if Franchisee is removed from servicing an account by Franchisor due to the fault or poor performance of Franchisee, all as determined in Franchisor's discretion.

F. If Franchisor makes an offer to Franchisee of Replacement Revenue that is not accepted by Franchisee, Franchisor shall have fulfilled its obligation to provide Replacement Revenue in the amount offered. Franchisor shall have no obligation to replace or make any credit to Franchisee for any Initial Business or Replacement Revenue voluntarily surrendered or abandoned by Franchisee.

## VII. Accounting Fee-Cash Flow Assistance Plan

A. Franchisor provides certain services to Franchisee with respect to contracting, invoicing, accounting and collecting of accounts receivable from Customers, and also provides a system of payments to Franchisee after withholding all amounts owed by Franchisee to Franchisor or other selected third parties ("Accounting Fee-Cash Flow Assistance Plan"). Franchisor has sole authority and exclusive right to perform contracting, billing and collecting from Customers and the sole right to receive revenue from Customers for services provided by Franchisee. The Franchisor will invoice all Customers for Franchisee's services rendered or supplies provided. The Franchisor will then exercise reasonable efforts to collect monies charged on those Customer invoices and pay them to Franchisee on a monthly basis, after the Franchisor first deducts all applicable fees and charges due to the Franchisor, and its affiliates, as applicable, and to third parties with special credit arrangements made on Franchisee's behalf. The Franchisor will disburse all monies due Franchisee by the fifteenth

(15th) day of each month for the preceding calendar month less any fees, payments, penalties or charges authorized by this Agreement, including, without limitation, as may be applicable, Royalty Fees, Accounting- Cash Flow Assistance Plan Fees, Revenue Replacement Fees, Business Procurement Fees for Additional Business, Insurance Plan Fees, payments due under any Promissory Notes, and charges for corrective work, missed cleans, damages and penalties. The Franchisor provides only those services under the Accounting Fee-Cash Flow Assistance Plan that are described in this paragraph and does not provide general bookkeeping, general accounting or tax preparation assistance. Franchisee shall not contract directly with Customers, or accept or seek any payments directly from Customers, and agrees to take no action to divert payments from any Customer. Franchisor may require that payments made to Franchisee are in the form of direct deposit or by check at its option.

B. If Franchisor or its affiliates correct work done by Franchisee for a Customer, as a result of a Customer's complaints or, if in Franchisor's discretion, work has been poorly performed by Franchisee, Franchisor correct or complete Franchisee's work, and may charge Franchisee its then hourly rate and service fees for such corrective work and deduct such amounts from monies owed to Franchisee. In addition, any costs or fees incurred by Franchisor because a Customer ascribes fault to the Franchisee, including costs arising from but not limited to missed cleans, corrective work, re-keying, false alarm penalties, damage claimed by the Customer caused by the Franchisee, may be charged to Franchisee by Franchisor and deducted from monies payable to Franchisee. Notwithstanding any designation to the contrary by Franchisee, Franchisor shall have the sole right and discretion to apply payments by Customers of Franchisee to any indebtedness of Franchisee to Franchisor including for Royalty Fee payments, principal and interest owed under Promissory Notes, Insurance Plan requirements, Accounting Fee-Cash Flow Assistance Plan payments, Revenue Replacement Fees, Business Procurement Fees, and purchases from Franchisor and any of its affiliates, or other indebtedness.

#### VIII. Insurance Plan and Requirements

A. Franchisor may provide but is not required to provide or to continue an Insurance Plan to Franchisee that meets Franchisor's current insurance requirements. If Franchisee chooses to participate in Franchisor's Insurance Plan, in lieu of providing his or her own general liability policies, workers compensation insurance, and other insurance coverages as required by Franchisor, Franchisee agrees to pay to the Franchisor an Insurance Plan Fee of 4% of Franchisee's Gross Monthly Revenues as set forth in Paragraph IV.E. Franchisor may adjust the cost of the Insurance Plan Fee or discontinue the Insurance Plan entirely upon written notice to Franchisee. Franchisor may also change the type, amount and terms of coverage to be provided by the Insurance Plan or that are required outside the Insurance Plan and may amend the requirements of the Insurance Plan in the Manual.

B. If Franchisee chooses not to participate in Franchisor's Insurance Plan, Franchisee must purchase and maintain all insurance coverages equal to the coverages required by Franchisor's Insurance Plan, including general liability, and workers compensation insurance, and must show evidence of all such coverage to Franchisor. Franchisee shall obtain insurance coverages of a type, and with such terms, conditions and amounts as stated in the Manual prior to commencing operations in the Franchised Business, including insurance against loss, liability, personal injury, death, property damage and other expense. All policies of insurance, including general liability insurance, shall name Franchisor, and its designated affiliates, agents and employees as additional insureds; and shall provide that the policy cannot be cancelled without 30 days prior written notice to Franchisor; and shall specify that copies of all notices shall be sent to Franchisor. Franchisee shall furnish Franchisor with copies of all policies or certificates evidencing insurance in force as required herein. Evidence of payment of premiums shall be delivered to Franchisor at least 30 days prior to the expiration dates of each existing insurance policy. Franchisor may require additional insurance covering such additional risks or providing such higher limits as Franchisor may reasonably request.

C. Should Franchisee, for any reason, fail to procure or maintain the insurance required by this Agreement, as such requirements may be revised from time to time by Franchisor in the Manual or otherwise in writing, Franchisor shall have the right and authority (without, however, any obligation to do so) immediately to procure such insurance and to charge same to Franchisee, and to withhold such charges, together with a reasonable

fee for Franchisor's time and expenses in so acting, from Monthly Gross Revenues, and to enroll Franchisee in Franchisor's Insurance Plan on the terms, costs and conditions described in Paragraph VIII. The foregoing remedies shall be in addition to any other remedies Franchisor may have.

D. Franchisee must be bonded under such terms and in such amounts as required by Franchisor prior to commencement of the Franchised Business, at his or her own expense.

IX. Offer of Additional Business

A. From time to time, Franchisor may, in its sole discretion, offer opportunities to Franchisee to service Franchisor's Customers, in addition to the Initial Business ("Additional Business"). Franchisor shall have no obligation to provide Franchisee with any Additional Business or other revenues beyond the Initial Business originally purchased by Franchisee. Additional Business includes all sources of new business including a new Customer, added services to an existing Customer (at either the same or another location) or a price increase for the same services to one or more existing Customers. Franchisee's verbal acceptance or furnishing of janitorial services to that Customer shall indicate an acceptance of Additional Business. Franchisee is not required to accept Additional Business offered by Franchisor.

B. If Franchisee accepts Franchisor's offer of Additional Business Franchisee will pay the Business Procurement Fee at that time as described in Paragraph IV.F.

C. With respect to any Additional Business that Franchisee accepts, Franchisee will also pay Royalty Fees, Revenue Replacement Fees, fees under the Accounting Fee-Cash Flow Assistance Plan, and Insurance Plan fees where applicable, all such fees as described in Paragraph IV.

D. If Customer cancels or fails to renew a contract, or if Franchisee is removed from servicing a Customer due to Franchisee's poor performance, Franchisee's alleged theft or other similar act, Franchisee's key loss or triggering of false alarms, Franchisee's failure to service such Customer properly or Franchisee's failure to comply with the Franchisor's policies and procedures, or if any of these factors are contributing factors to the loss of a Customer account, Franchisor shall have no obligation to replace a Customer account in that amount as part of the Additional Business, and Franchisor shall have no obligation to make any refund represented by that account to Franchisee.

E. You understand that we expend great efforts to contract for your business to clean and service the buildings in your territory. How you perform reflects directly on the Mint Condition franchise system. Our customers are dependent upon quality and consistent service. Any change in service by you without sufficient notice to us can result in a customer's property not be properly serviced. According, you cannot abandon or otherwise surrender customer accounts. If for some reason you cannot or do not wish to continue to service a specific customer's account, you must give us at least 30 days prior written notice that you no longer will service the customer's account. This notice time is needed to permit us to replace the account with another franchisee and to perform certain administrative undertakings on the account. If you do not provide us with this 30-day written notice, then you will pay us a forfeiture fee of \$250 or 20% of the gross monthly revenue, whichever is greater, generated by each customer account being forfeited or abandoned. Any gross monthly revenue voluntarily surrendered or abandoned will not be replaced.

X. Duties of Franchisee

A. Franchisee understands and acknowledges that every detail of the Franchised Business is important to Franchisee, Franchisor, and other franchisees of Franchisor, in order to develop and maintain high operating standards, to increase the demand for the services and products provided by all franchisees, and to protect Franchisor's reputation and goodwill.

B. Unless otherwise set forth in this Agreement, you must remain individually present, active and involved in all aspects of the work and management of the Franchised Business. You are required to own and operate your Business as a legal entity, such as a corporation, partnership, or limited liability company; provided

you comply with the qualifications and operating requirements set forth in this section X. B. Each Owner (as defined below) represents, warrants and agrees that Attachment 3, attached hereto and incorporated herein by reference, is current, complete and accurate. You agree to promptly update Attachment 3 so that Attachment 3 (as so revised and signed by you) is, at all times, current, complete and accurate. Each person who is or becomes an Owner, must execute an Owner's Personal Guaranty, in the form of Attachment 4, attached hereto and incorporated herein by reference, undertaking to be bound jointly and severally by the terms of this Agreement. Each Owner must be an individual acting in his/her, or its personal capacity, unless we waive this requirement.

The term "Owner" is defined as a person or entity that has a 10% or more direct or indirect legal or beneficial ownership interest in you. A spouse of an Owner is considered an Owner, under the terms of the Franchise Agreement.

We require your Operating Partner, as defined below, to actively participate in, and exert your best efforts to, the management of your Business and other Businesses you may own. You agree that your Business, at all times, shall be managed by you (or your Operating Partner), or a manager who has satisfactorily completed our training program.

You agree to designate as the "Operating Partner" an individual approved by us who: (a) owns and controls not less than 10% of your equity and voting rights; (b) has completed our training program to our satisfaction; and (c) has the power and authority to bind you in all dealings with us, unless you designate in writing another Owner reasonably acceptable to us who has the power and authority to so bind you.

C. Prior to commencing business, Franchisee shall comply with all requirements set forth in this Agreement and in the Manual or as otherwise required by Franchisor in writing.

D. Franchisee agrees that it is important to the operation of the System and the Franchised Business that Franchisee receive such training as Franchisor may require, and to that end agrees as follows:

(1) Prior to the opening of the Franchised Business, the Franchisee, shall attend and complete, to Franchisor's satisfaction, the initial training program offered by Franchisor. Franchisor shall provide instructors and training materials for all required training programs; and Franchisee or its employees shall be responsible for any and all other expenses incurred by them in connection with any training programs, including, without limitation, the cost of transportation, lodging, meals, and wages. At Franchisee's expense the Franchisee shall train his or her employees in accordance with Franchisor's practices, procedures and policies.

(2) Franchisor may provide additional training programs for the benefit of Franchisee and may charge a reasonable fee for such additional training programs.

(3) Should Franchisee request additional assistance from Franchisor in order to facilitate the opening of the Franchised Business, and should Franchisor deem it necessary and appropriate, Franchisee shall reimburse Franchisor for the expense of Franchisor's personnel and out of pocket expenses, as set forth in the Manual.

(4) If Franchisor determines, in its sole discretion, that Franchisee is unable to satisfactorily complete the initial training program, Franchisor shall have the right to terminate this Agreement. If this Agreement is terminated pursuant to this Paragraph, Franchisor shall have the option of keeping the Initial Franchise Fee as liquidated damages and not as a penalty, for re-imbusement for costs and expenses. Further, Franchisee agrees to release Franchisor from any claims or causes of action Franchisee may have and Franchisee shall have no further right or interest to use the Proprietary Marks.

E. As may be necessary Franchisee shall maintain competent, conscientious, trained employees, at all times, so as to operate efficiently and effectively. Franchisee shall take such steps as are necessary to ensure good customer relations, wear clothing of such color, design and other specifications as Franchisor may designate

from time to time, present a neat and clean appearance, and render competent and courteous service to the Customers.

F. Franchisee shall meet and maintain the highest operating standards.

G. To ensure that the highest quality of service is maintained, Franchisee shall operate the Franchised Business in strict conformity with such methods, standards, and specifications as Franchisor may from time to time prescribe in the Manual or otherwise in writing. Franchisee agrees:

(1) To operate the Franchised Business in compliance with Franchisor's prescribed standards of service;

(2) To maintain in sufficient supply, and to use at all times such equipment materials and supplies, as are required prior to commencement of the Franchised Business and during the later operation of the Franchised Business, as conform to Franchisor's standards and specifications, and to refrain from deviating therefrom, in such quality and quantity as specified by Franchisor in the Manual; and,

(3) To offer only such services as have been expressly approved by Franchisor; to refrain from any deviation from Franchisor's standards and specifications without Franchisor's prior written consent;

H. Franchisee shall be responsible for safeguarding keys, fobs and security cards to each Customer's premises. If any of the keys, fobs or security cards are lost, the Franchisee shall be responsible for all costs, liabilities or damages arising from such loss. If a Customer's services are cancelled for any reason, or if Franchisee is removed from servicing a Customer account, Franchisee shall return all keys, fobs and security cards immediately upon request of Franchisor. Failure to do so shall constitute a breach of this Agreement by the Franchisee and Franchisee shall pay Franchisor \$100 per day for each day until all such items are returned to Franchisor. If the Customer's premises have to be re-keyed the cost shall be the responsibility of the Franchisee. Any amounts owed may be withheld from Monthly Gross Revenues by Franchisor but Franchisee's obligations hereunder shall not be limited to amounts withheld by Franchisor.

I. Franchisor reserves the right to develop advertising and marketing programs that do not currently exist for the attraction of Customers and promotion of the Mint Condition brand and System. Upon the creation of such a program, Franchisor may require Franchisee to contribute up to two percent (2%) of Gross Monthly Revenues toward the creation and operation of such an advertising and marketing program. Upon creation and operation of such a program, Franchisor may amend the Manual to adopt guidelines and requirements of the program. Franchisee may not use advertising and promotions independently of Franchisor and must submit all advertising or marketing materials to Franchisor 30 days in advance, which may be refused in Franchisor's sole discretion. Unless Franchisor provides their specific approval of the proposed materials, the materials are deemed disapproved. Any materials you submit to Franchisor for review will become Franchisor's property, and there will be no restriction on Franchisor's use or distribution of these materials. Franchisee may not advertise or use the Proprietary Marks or refer to its Mint Condition Franchised Business in listings, or on websites, Facebook or other social media.

(1) National Advertising Fund. Franchisor does not require Franchisee to participate in a National Advertising Fund ("National Fund") at time of the execution of this Agreement. However, Franchisor reserves the right to create a National Advertising Fund by notifying the Franchisee with 30 days prior written notice. If the Franchisor sets up a National Advertising Fund, the Franchisee will be required to remit to the National Fund a monthly contribution not to exceed 2% of the Franchisee Gross Monthly Revenues.

The National Fund is intended to develop and conduct System-wide advertising and promotional campaigns, as Franchisor deems appropriate through this fund, with absolute discretion over the creative concepts, materials and media used in such programs. At such time that Franchisor initiates the National

Fund, Franchisor will administratively segregate the advertising contributions made by Franchisee on Franchisor's books and records, but Franchisor may commingle the funds received with other funds, which belong to Franchisor. Franchisor will use the advertising contributions that Franchisees make, when required to do so to conduct advertising and marketing, as set forth below and to help defray the cost of such advertising and promotion, whether prepared and/or placed on a national or local level and including reasonable charges for administering the National Fund created by such contributions. Franchisor undertakes no obligation to ensure that any particular Franchisee, benefits directly or pro-rata from the placement of any such advertising, nor does Franchisor undertake to make expenditures on account of advertising equivalent or proportionate to the amounts paid by Franchisee to Franchisor. Any advertising contributions of Franchisee, which have not been allocated by Franchisor for use in the calendar year within which they are made, will be kept for use in the subsequent year. The Fund may be used for the items set forth below and managed in a manner also as set forth below:

a) Franchisee agrees that the National Fund may be used to meet any and all costs of maintaining, administering, directing and preparing national and/or regional marketing materials, programs and public relations activities (including, without limitation, developing and maintaining a website, the cost of preparing and conducting television, radio, magazine, billboard, newspaper, direct mail and other media programs and activities, for conducting marketing surveys, test marketing, employing advertising agencies to assist therewith, and providing promotional brochures, coupons and other marketing materials to all franchisees of the System). Franchisor may also use money from the National Fund to support and maintain our Website and for social media initiatives. The National Fund shall not be used to defray any of our general operating expenses, except that Franchisor has the right to reimburse itself out of the National Fund for the total costs (including indirect costs) of developing, producing and distributing any advertising materials and collecting the Marketing Fees (including attorneys', auditors' and accountants' fees and other expenses incurred in connection with collecting any Marketing Contributions). Franchisor maintains no fiduciary obligation with respect to the administration of the National Fund. Franchisor's obligations to administer and operate the National Fund is set forth in this Agreement;

b) An unaudited statement of the operations of the National Fund shall be prepared annually by Franchisor's accountants and shall be made available to Franchisor on written request. The cost of the statement shall be paid by the National Fund. Except as expressly provided in this Section, Franchisor assumes no direct or indirect liability or obligation to Franchisee with respect to the maintenance, direction or administration of the National Fund;

c) Neither Franchisor nor our affiliates shall, be required to make contributions to the National Fund as is required to be contributed by Franchisee generally within the System; and

d) Any monies remaining in the National Fund at the end of any year will carry over to the next year.

(2) Advisory Councils. Franchisor has the right to form one or more advisory councils to advise us and work with us to improve the System, including advertising, methods of operations, new products and services, and other matters. If Franchisor elects to form an advisory council, it will be made up of Franchisor's representatives and Franchisee representatives. The Franchisee representatives may be chosen by Franchisor or may be elected by other Franchisees in the System. If formed, the advisory council will act in an advisory capacity only and will not have decision making authority. Franchisor reserves the right to form, change, merge or dissolve any advisory council at any time. If Franchisee participates on any advisory council, Franchisee understands and acknowledges that unless Franchisor decides otherwise, Franchisee will pay any expenses Franchisee incur related to such participation including, without limitation, travel and living expenses to attend advisory council meetings.

J. You agree to operate your Business in full compliance with all applicable laws, ordinances and regulations, including the Occupational Safety and Health Act and the Americans with Disabilities Act, and necessary certifications to offer the type of services being offered at or through your Business, and to take reasonably prompt action to cure any deficiencies. You agree to notify us in writing within 5 days after the commencement of any legal or administrative action, the issuance of any order of any court, agency or other governmental instrumentality, or the delivery of any notice of violation or alleged violation of any law, ordinance or regulation that may adversely affect the operation of your Business or your financial condition. You agree to adhere to our standards of honesty, integrity, fair dealing and ethical conduct in all dealings with Customers.

K. Franchisor and its agents may inspect and review work performed by Franchisee at any time and Franchisee shall cooperate with Franchisor's representatives in such inspections by rendering such assistance as they may reasonably request; and, upon notice from Franchisor or its agents and without limiting Franchisor's other rights under this Agreement, shall take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection. Franchisor shall have the right and authority (without, however, any obligation to do so) to correct such deficiencies and to charge Franchisee, Franchisor's corrective fees, that include Franchisor's hourly costs and service fees, for Franchisor's expenses in so acting, payable by Franchisee immediately upon demand, or which may be withheld by Franchisor from Monthly Gross Revenues. The foregoing shall be in addition to such other remedies as Franchisor may have and may be adjusted in the Manual from time to time.

L. Franchise shall provide information required by Franchisor including any reports Franchisor shall request.

M. Franchisee shall comply with all other requirements set forth in this Agreement.

XI. Claims Statement

Upon execution of this Agreement, Franchisee hereby waives and releases any claims, whether known or unknown, which Franchisee or any affiliate of Franchisee may have; provided, however, that Franchisee may preserve any claims specifically set forth on a statement (the "Claims Statement") submitted to Franchisor prior to Franchisee's execution of this Agreement. The Claims Statement shall contain the nature and amount of any claim set forth thereon. Any claims set forth on the Claims Statement shall, however, be deemed waived, and forever released, if not sued upon by the earliest of (1) one year from the date of this Agreement; and, (2) the expiration of the applicable statute of limitations.

XII. Proprietary Marks and Trade Dress

A. Franchisor represents with respect to the Proprietary Marks that, as between Franchisor and Franchisee:

- (1) Franchisor is the owner of all right, title, and interest in and to the Proprietary Marks;
- (2) Franchisor and its affiliates have taken and will take all steps reasonably necessary to preserve and protect the ownership and validity in and of the Proprietary Marks; and
- (3) Franchisor will permit Franchisee and other franchisees to use the Proprietary Marks only in accordance with the System and the standards and specifications attendant thereto which underlie the goodwill associated with and symbolized by the Proprietary Marks.

B. With respect to Franchisee's licensed use of the Proprietary Marks pursuant to this Agreement, Franchisee agrees that:

- (1) Franchisee shall use only the Proprietary Marks designated by Franchisor, and shall use them only in the manner authorized and permitted by Franchisor;

(2) Franchisee shall use the Proprietary Marks only for the operation of the Franchised Business;

(3) Unless otherwise authorized or required by Franchisor in writing, Franchisee shall operate the Franchised Business only under the name “MINT CONDITION®” as specified by Franchisor, without prefix or suffix;

(4) During the term of this Agreement, Franchisee shall identify itself as the owner of the Franchised Business in conjunction with any use of the Proprietary Marks;

(5) Franchisee’s right to use the Proprietary Marks is limited to the term of this Agreement and shall automatically cease upon the expiration or earlier termination of this Agreement and is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof, including, but not limited to, sublicensing a use of the Proprietary Marks, shall constitute an infringement of Franchisor’s rights and a default under this Agreement;

(6) During the term of this Agreement and continuing after its expiration or earlier termination, Franchisee shall not use the Proprietary Marks to incur any obligation or indebtedness on behalf of Franchisor;

(7) During the term of this Agreement and continuing after its expiration or earlier termination, Franchisee shall not use the Proprietary Marks as part of its corporate or other legal name;

(8) Franchisee shall comply with Franchisor’s instructions in filing and maintaining the requisite trade name or fictitious name registrations, and shall execute any documents deemed necessary by Franchisor or its counsel to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability; and

(9) In the event that litigation involving the Proprietary Marks is instituted or threatened against Franchisee, Franchisee shall promptly notify Franchisor. Franchisor or its affiliates shall conduct the defense, and bear the expense of such litigation, but shall be entitled to settle or otherwise dispose of the litigation on terms which, in its sole discretion, it may decide upon. Franchisee shall cooperate fully with Franchisor in defending or settling such litigation.

C. Franchisee expressly understands and acknowledges that, as between Franchisor and Franchisee:

(1) Franchisor is the owner of all right, title and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by them;

(2) The Proprietary Marks are valid and serve to identify the System and those who are authorized to operate under the System;

(3) Franchisee shall not directly or indirectly contest the validity or Franchisor’s or its affiliate(s)’s ownership of the Proprietary Marks;

(4) Franchisee’s use of the Proprietary Marks pursuant to this Agreement does not give Franchisee any ownership interest or other interest in or to the Proprietary Marks, except pursuant to the license granted by this Agreement;

(5) Any and all goodwill arising from Franchisee’s use of the Proprietary Marks in its franchised operation under the System shall inure solely and exclusively to Franchisor’s benefit, and upon expiration or termination of this Agreement and the license herein granted, no monetary amount shall be assigned

to Franchisee as attributable to any goodwill associated with Franchisee's use of the System or the Proprietary Marks; and

(6) The right and license of the Proprietary Marks granted hereunder to Franchisee is nonexclusive, and Franchisor thus has and retains the rights, among others:

(a) To use the Proprietary Marks itself in connection with selling products and services;

(b) To grant other licenses for the Proprietary Marks, in addition to those licenses already granted to existing franchisees; and

(c) To develop and establish other systems using the same or similar Proprietary Marks, or any other proprietary marks, and to grant licenses or franchises thereto without providing any rights therein to Franchisee.

(7) Franchisor reserves the right to substitute different Proprietary Marks for use in identifying the System and the businesses operating thereunder.

D. Franchisee acknowledges that any failure to comply with the requirements of this Paragraph XII. will cause Franchisor irreparable injury, and Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Paragraph XII.

### XIII. Confidential Operations Manual

A. In order to protect the reputation and goodwill of Franchisor and to maintain high standards of operation under Franchisor's Proprietary Marks, Franchisee shall conduct its business in accordance with the Manual, one copy of which Franchisee acknowledges having received by electronic access or written copy on loan from Franchisor for the term of this Agreement. The Manual shall include memoranda, procedures, policies and other communications created by Franchisor or otherwise communicated to Franchisee in writing by email or hardcopy, whether or not noted as "Manual".

B. Franchisee shall at all times treat the Manual, any other manuals created for or approved for use in the operation of the Franchised Business, and the information contained therein, as confidential, and shall use all reasonable efforts to maintain such information as secret and confidential. Franchisee shall not at any time copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any unauthorized person.

C. The Manual shall at all times remain the sole property of Franchisor.

D. We may modify the Manual to reflect changes in standards, specifications and operating procedures and other obligations, but no changes to the Operations Manual will change the royalty and/or advertising contribution you are required to pay pursuant to this Agreement; nor will such change(s) change the Territory granted to you in the Agreement. You agree to comply with each new revision.

E. Franchisee shall continuously review changes to the Manual and to otherwise keep current with the Manual. In the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by Franchisor at Franchisor's home office shall be controlling.

### XIV. Confidential Information

A. Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, association, corporation or limited liability company any confidential information, knowledge, Customer lists or know-how concerning the methods of operation of the

Franchised Business which may be communicated to Franchisee or of which Franchisee may be apprised by virtue of Franchisee's operation under the terms of this Agreement. Franchisee shall divulge such confidential information only to such of its employees as must have access to it in order to operate the Franchised Business, and Franchisee shall take such precautions as Franchisor deems necessary to ensure that Franchisee's employees retain such information in confidence. Any and all information, knowledge, know-how, and techniques which Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement, except information which Franchisee can demonstrate came to its attention prior to disclosure thereof by Franchisor; or which, at the time of disclosure by Franchisor to Franchisee, had become a part of the public domain, through publication or communication by others; or which, after disclosure to Franchisee by Franchisor, becomes a part of the public domain, through publication or communication by others.

B. Franchisee acknowledges that any failure to comply with the requirements of this Paragraph XIV. will cause irreparable injury to Franchisor, and Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Paragraph XIV.

#### XV. Accounting and Records

A. Franchisee shall maintain during the term of this Agreement, to preserve for at least seven (7) years from the dates of their preparation, full and complete and accurate books, records, and accounts in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor from time to time in the Manual or otherwise in writing.

B. Franchisee shall also submit to Franchisor, for review or auditing, such forms, reports, records, information, and data as Franchisor may reasonably designate, in the form and at the times and places reasonably required by Franchisor, upon request and as specified from time to time in the Manual or otherwise in writing. If Franchisee requires duplication of any documents previously provided by Franchisor, Franchisee may in writing request such documents, and Franchisor may charge administrative fees set forth in the Manual, which may be changed or increased from time to time.

C. Franchisor or its designated agents shall have the right at all reasonable times to examine and copy, at Franchisor's expense, the books, records, and tax returns of Franchisee and any corporation, limited liability company or other entity in which Franchisee has an ownership interest or which Franchisee controls. Franchisor shall also have the right, at any time, to have an independent audit made of the books of Franchisee.

D. Franchisee, as an independent contractor of Franchisor shall file all federal, state and local tax returns, and shall cause to be filed all returns and reports required of any corporation, limited liability company or other entity in which Franchisee has an ownership interest or which Franchisee controls.

E. If Franchisee, requests copies of documents from Franchisor which have been previously provided, Franchisee shall pay an administrative replacement fee to Franchisor of \$100, which may be changed from time to time in the Manual.

#### XVI. Transfer

A. We have the right to transfer or assign all or any part of our rights or obligations under this Agreement to any person or legal entity. If the assignee expressly assumes and agrees to perform all of our obligations under this Agreement accruing after the date of assignment, then the assignee will become solely responsible for all of our obligations under this Agreement from and after the date of such assignment. In addition, and without limiting the foregoing, we may sell our assets; may sell our securities in a public offering or in a private placement; may merge with or acquire other corporations or be acquired by another corporation; and may undertake any refinancing, recapitalization, leveraged buy-out, or other economic or financial restructuring. We are not required to provide you prior notice of our intent to transfer or assign this Agreement.

B. Transfer by Franchisee of the right to operate the Franchised Business, or any interest in this Agreement, the franchise rights and license rights are limited as follows, and in all cases are subject to Franchisor's prior written consent:

(1) Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee, and that Franchisor has granted this Agreement in reliance on Franchisee's personal attributes. Accordingly, neither Franchisee nor any immediate or remote successor to any part of Franchisee's interest in this Agreement, nor any individual, partnership, corporation, limited liability company, or other legal entity which directly or indirectly owns any interest in the Franchised Business, in this Agreement, shall sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise encumber any direct or indirect interest in the Franchised Business, interest in this Agreement, or franchise rights or license rights granted hereunder or any obligations hereunder without the prior written consent of Franchisor. Any such proposed transfer shall be subject, where applicable, to Franchisor's option to purchase set forth in Paragraph XVI.C. herein. Any purported assignment or transfer, by operation of law or otherwise, not having the written consent of Franchisor required by this Paragraph shall be null and void and shall constitute a material breach of this Agreement, for which Franchisor may then terminate without opportunity to cure pursuant to Paragraph XVII.B. of this Agreement.

(2) If a transfer, alone or together with other previous, simultaneous, or proposed transfers, would have the effect of transferring a controlling interest in the Franchised Business, interest in this Agreement, or in the franchise rights or license rights granted hereunder, or in Franchisee, Franchisor may, in its sole discretion, if it does not elect to exercise its option to purchase set forth in this Agreement require any or all of the following as conditions of its approval;

(a) All of Franchisee's accrued and outstanding monetary obligations to third parties and all accrued and outstanding obligations to Franchisor, or any parent, subsidiary or affiliate of Franchisor shall have been satisfied;

(b) Franchisee shall not be in default of any provision of this Agreement, any amendment hereto or successor hereof, or any other agreement between Franchisee and Franchisor, its parents, subsidiaries, or affiliates;

(c) The transferor shall have executed a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor, its affiliates, parent(s), successors and its assign, and its officers, directors, shareholders, and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state, and local laws, rules, and ordinances; and shall agree to remain liable to Franchisor for all affirmative obligations, covenants, and agreements contained herein for two (2) years following the effective date of transfer (or, if transferor retains a purchase money interest in the transferred business, for a period greater than two (2) years, until the interest is extinguished) or for such shorter period as Franchisor may, in its sole discretion, determine;

(d) The transferee shall enter into a written assignment, and in a form satisfactory to Franchisor, assuming and agreeing to discharge all of Franchisee's obligations under this Agreement; and, if the obligations of Franchisee were guaranteed by any party, the transferee shall guarantee the performance of all such obligations in writing in a form satisfactory to Franchisor;

(e) The transferee shall demonstrate to Franchisor's satisfaction that the transferee meets Franchisor's educational, managerial, and business standards; possesses a good moral character, business reputation, and credit rating; has the aptitude and ability to conduct the Franchised Business herein; (as may be evidenced by prior related business experience or otherwise); agrees to background studies and is able to become bonded as required by Franchisor, and has adequate financial resources and capital to operate the Franchised Business;

(f) At Franchisor's option, the transferee shall execute (and/or, upon Franchisor's request, shall cause all interested parties to execute), for a term ending on the expiration date of this Agreement, the then-current standard form of franchise agreement being offered to new System franchisees and other ancillary agreements, including a guarantee of such agreement executed by any corporation, limited liability or other entity owned or controlled by Franchisee, as Franchisor may require for the Franchised Business, which agreements shall supersede this Agreement in all respects and the terms of which agreements may differ from the terms of this Agreement, including, without limitation, a higher percentage royalty rate;

(g) Franchisee shall remain liable for all of its obligations to Franchisor in connection with the Franchised Business prior to the effective date of the transfer, and shall execute any and all instruments reasonably requested by Franchisor to evidence such liability;

(h) At the transferee's expense transferee shall complete any training and certification programs then in effect for franchisees upon such terms and conditions as Franchisor may reasonably require;

(i) Franchisee shall pay to Franchisor a transfer fee equal to the greater of five thousand dollars (\$5,000), which fee constitutes Franchisor's reasonable costs and expenses (including administrative costs and legal and accounting expenses) in connection with Franchisor's review of the application to transfer; (if Franchisee shall request consent to transfer whether or not the transfer shall not be consummated, Franchisee shall pay Franchisor \$250 as an administrative processing fee, which may be changed from time to time as described in the Manual); and,

(j) Franchisee may not transfer the Mint Condition license apart from the assets and operating rights of the entire Franchised Business;

(3) Franchisee shall grant no security interest in this Agreement or in the Franchised Business (other than a pledge of assets to secure a bona fide loan made or credit extended in connection with acquisition of the assets pledged) unless the secured party agrees that in the event of any default by Franchisee under any documents related to the security interest, Franchisor shall have the right and option to purchase the rights of the secured party upon payment of all sums then due to such secured party.

(4) Franchisee acknowledges and agrees that each condition which must be met by transferee is necessary to assure such transferee's full performance of the obligations hereunder.

C. Franchisor shall have the option, but not the obligation, to purchase any interest in the Franchised Business or this Agreement as follows:

(1) If Franchisee desires to accept any bona fide offer from a third party to purchase an interest in the Franchised Business, Franchisee shall provide Franchisor with all of the terms of the proposed transfer in writing at least 30 days prior to the proposed date of transfer. Franchisor shall have the right and option, exercisable within 30 days after receipt of such written notification, to send written notice to the seller that Franchisor intends to purchase the seller's interest on the same terms and conditions offered by the third party, net of any finders or brokers fees which any third party would be obligated to pay. In the event that Franchisor elects to purchase the seller's interest, closing on such purchase must occur within 30 days from the date of notice to the seller of the election to purchase by Franchisor. If Franchisor does not exercise its option to purchase, Franchisee may proceed to consummate a transfer to a third party if they have complied with the conditions of this Paragraph XVI. If Franchisor did not exercise its option to purchase, any material change in the terms of the third party's offer prior to closing shall constitute a new offer subject to the same option to purchase by Franchisor as in the case of an initial offer. Failure of Franchisor to exercise the option afforded by this Paragraph shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Paragraph XVI. with respect to a proposed transfer.

(2) In the event the consideration, terms, and/or conditions offered by a third party are such that Franchisor is not in a position to furnish the same consideration, terms, and/or conditions, then Franchisor may purchase the interest proposed to be sold for the reasonable equivalent in cash.

D. Upon the death or mental incapacity of Franchisee the executor, administrator, or personal representative of such person shall transfer the interest to a third party, approved by Franchisor within 120 days after such death or mental incapacity, or, if legal proceedings make transfer within 120 days not feasible, within such longer period as may be reasonable under the circumstances. Such transfer, including, without limitation, transfer by devise or inheritance, shall be subject to the same conditions as any inter vivos transfer. If an approved transfer has not been made within the aforementioned period, Franchisor shall have the option to terminate this Agreement.

E. Franchisor's consent to a transfer by Franchisee of any rights to operate the Franchised Business, interest in this Agreement or any license or franchise rights granted hereunder shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferee.

F. Franchisee acknowledges that any failure to comply with the requirements of this Paragraph XVI. will cause Franchisor irreparable injury, for which no adequate remedy at law may be available, and Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Paragraph XVI.

#### XVII. Default and Termination

A. Franchisee shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee, if Franchisee shall become insolvent or make a general assignment for the benefit of creditors; or if a petition in bankruptcy is filed by Franchisee or such a petition is filed against Franchisee.

B. Upon occurrence of any of the following events, Franchisee shall be deemed to be in default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon receipt of notice by Franchisor:

(1) If Franchisee fails to commence the Franchised Business upon award of his or her first Customer account;

(2) If Franchisee or any his or her employees who service a Customer account is convicted of a felony, a crime involving moral turpitude, or any other crime or offense that is reasonably likely, in the sole opinion of Franchisor, adversely to affect the System, the Proprietary Marks, the goodwill associated therewith, or Franchisor's interest therein;

(3) If Franchisee purports to transfer any interest in this Agreement, any rights hereunder, including but not limited to any rights to operate the Franchised Business, franchise and license rights or obligations under this Agreement or any interest in Franchisee to any third party without Franchisor's prior written consent;

(4) If, contrary to the terms of this Agreement, Franchisee discloses or divulges the contents of the Manual or other confidential information provided to Franchisee by Franchisor;

(5) If Franchisee knowingly maintains false books or records, or knowingly submits any false reports to Franchisor;

(6) If Franchisee, directly or indirectly, alone, or through or in concert with others makes any unauthorized use of any name, trademark, service mark, or other Proprietary Mark or Trade Dress of Franchisor;

(7) If Franchisee shall cause, suffer, or permit (voluntarily or involuntarily) its right to operate the Franchised Business to be discontinued, or if Franchisee shall discontinue its operation of the Franchised Business, or if the Franchised Business becomes inactive for more than a period of seven months for any reason;

(8) If Franchisee ceases to operate or otherwise abandons, or attempts to cease to operate or abandon, the Franchised Business or enters into an agreement to sell, or sells, or purports or attempts to sell substantially all of the assets of Franchised Business, without Franchisor's prior written consent;

(9) If any other agreement with Mint Condition of Charlotte, Inc. or any of its affiliates entered into by Franchisee is terminated based upon Franchisee's default thereunder;

(10) If Franchisee, after curing a default pursuant to this Paragraph XVII.B. hereof, commits the same, or a substantially similar, default again within one hundred eighty (180) days after the prior default occurred, whether or not cured after notice; or

(11) If Franchisee repeatedly is in default under this Paragraph XVII.B. hereof for failure to comply with any of the requirements imposed by this Agreement, whether or not cured after notice.

(12) If Franchisee diverts or attempts to divert a Customer or any Customer account from Franchisor or attempts to contract directly with a Customer of Franchisor or to perform services for a Customer without Franchisor's written consent;

(13) If Franchisee has made a material misstatement or misrepresentation on his or her application to own and operate the Franchised Business;

(14) If Franchisee or any of its employees engage in conduct that is harmful to the reputation of Franchisor or the Franchised Business, or otherwise reflects unfavorably on Franchisee or Franchisor, including any conduct that shows a disregard for the physical or mental well-being of employees, customers, or the public at large; or battery, assault, sexual harassment or discrimination, alcohol or drug abuse as determined by Franchisor;

(15) If Franchisee solicits, directly or indirectly, performs or agrees to perform janitorial or maintenance services apart from Customers approved by Franchisor, or apart from approved use of the Mint Condition name, or accepts money from others for janitorial or maintenance services performed other than Franchisor's Customer with or without the use of the Mint Condition trademark;

(16) If Customer cancels a contract due to Franchisee's poor performance, Franchisee's alleged theft or other similar act, Franchisee's key loss or Franchisee's triggering of false alarms, Franchisee's failure to service such Customer properly or Franchisee's failure to comply with the Franchisor's policies and procedures, including, if any of these factors are contributing factors to the loss of a Customer account;

(17) If Franchisee shall not obtain or maintain the necessary performance bonds (to be "bonded") required by Franchisor, as such requirement is stated in the Manual; or

(18) If Franchisor has met its obligations regarding Franchisee's specific contracts and Franchisee then loses the revenues from those contracts, then Franchisor reserves the right to terminate this Agreement;

C. Except as otherwise provided in Paragraphs XVII(A) and XVII(B) of this Agreement, Franchisee shall have ten (10) days after its receipt from Franchisor of a written notice of default within which to cure any default hereunder and to provide evidence thereof to Franchisor. If any such default is not cured within that time, or such longer period as applicable law may require, Franchisor may terminate this Agreement, effective

immediately upon notice from Franchisor after the expiration of the 10-day period or such longer period as applicable law may require. Franchisee shall be in default hereunder for any failure to comply with any of the requirements imposed by this Agreement, including any matter enumerated in this Paragraph XVII(C), as it may from time to time reasonably be supplemented by the Manual, or to carry out the terms of this Agreement in good faith. Such defaults shall include, for example, but without limitation, the occurrence of any of the following events:

(1) If Franchisee fails, refuses, or neglects promptly to pay any monies owing to Franchisor or its parents, subsidiaries or affiliates when due, or to submit the financial or other information required by Franchisor under this Agreement;

(2) If Franchisee fails to pay or fails repeatedly to make prompt payment of undisputed amounts due to its suppliers, lenders, landlord, equipment lessors, or other third parties;

(3) If Franchisee fails to maintain or observe any of the operating or other standards or procedures prescribed by Franchisor in this Agreement, the Manual, or otherwise in writing;

(4) If Franchisee fails, refuses, or neglects to obtain Franchisor's prior written approval or consent as required by this Agreement;

(5) If Franchisee denies Franchisor or its designee the right to inspect Franchisee's work;

(6) If Franchisee engages in any business or markets any service or product under a name or mark which, in Franchisor's opinion, is confusingly similar to the Proprietary Marks other than in connection with the Franchised Business or uses any of Franchisor's products, procedures or methods in any other operation not authorized by Franchisor;

(7) If Franchisee fails to comply with the in-term covenants in Paragraph XIX hereof or employs, or seeks to employ, any person who at the time is employed by Franchisor or any of its affiliates or by any Mint Condition franchisee, or otherwise induces, directly or indirectly, any such person to leave such employment;

(8) If a final judgment against Franchisee remains unsatisfied or of record for 30 days;

(9) If execution is levied against Franchisee's business or property, suit to foreclose any lien or mortgage against the Franchised Business or equipment situated therein is instituted against Franchisee and not dismissed or bonded off within 60 days, or the real or personal property of the Franchised Business is sold after levy thereupon by any sheriff, marshal or constable;

(10) If an approved transfer of a controlling interest in Franchisee is not effected within the prescribed period following the death or mental incapacity of Franchisee as required by this Agreement;

(11) Failure to maintain acceptable operation review scores at grade levels set by Franchisor in the Manual on two or more occasions.

#### XVIII. Obligations Upon Termination or Expiration

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

A. Franchisee shall immediately 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.

B. Franchisee shall immediately and permanently cease to use, in any manner whatsoever, any confidential methods, procedures and techniques associated with the System; the Proprietary Marks “MINT CONDITION”®; and all other Proprietary Marks and distinctive forms, slogans, signs, symbols, and devices, without limitation, all signs, displays, stationery, forms, and any other articles which display the Proprietary Marks.

C. Franchisee shall take such action as may be necessary to cancel any assumed name or equivalent registration which contains the mark “Mint Condition” or any other service mark or trademark of Franchisor, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within 30 days after termination or expiration of this Agreement.

D. Franchisee agrees, in the event it continues to operate or subsequently begins to operate any other business, not to use any reproduction, counterfeit, copy, or colorable imitation of the Proprietary Marks, either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake, or deception, or which is likely to dilute Franchisor’s rights in and to the Proprietary Marks, and further agrees not to utilize designation of origin or description or representation which falsely suggests or represents an association or connection with Franchisor constituting unfair competition.

E. Franchisee shall promptly pay all sums owing to Franchisor and its subsidiaries and affiliates. In the event of termination for any default of Franchisee, such sums shall include all damages, costs, and expenses, including reasonable attorneys’ fees, incurred by Franchisor as a result of the default.

F. Franchisee shall pay to Franchisor all damages, costs, and expenses, including reasonable attorneys’ fees, incurred by Franchisor subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Paragraph XVIII.

G. Franchisee shall immediately deliver to Franchisor all manuals, including the Manual, records, files, instructions, correspondence, all materials related to operating the Franchised Business, including, without limitation, brochures, agreements, invoices, and any and all other materials relating to the operation of the Franchised Business in Franchisee’s possession, and all copies thereof (all of which are acknowledged to be Franchisor’s property), and shall retain no copy or record of any of the foregoing, except Franchisee’s copy of this Agreement and of any correspondence between the parties and any other documents which Franchisee reasonably needs for compliance with any provision of law.

H. Franchisee shall comply with any surviving covenants contained in Paragraph XIX. of this Agreement.

#### XIX. Covenants

A. Franchisee acknowledges that, pursuant to this Agreement, Franchisee will receive valuable specialized training and confidential information, including, without limitation, information relating to the operational, sales, promotional, and marketing methods and techniques of Franchisor and the System. Accordingly, Franchisee covenants that:

(1) During the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee shall not, either directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation or limited liability company, divert or attempt to divert any business or Customer of Franchisor to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with Franchisor’s Proprietary Marks and the System; or

(2) Except as otherwise approved in writing by Franchisor, Franchisee shall not, either directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any person, persons,

partnership, corporation, or limited liability company, own, maintain, advise, help, invest in, make loans to, be employed by, be the landlord of, engage in, or have any interest in:

(a) Any janitorial, cleaning or maintenance business which competes with Mint Condition during the term of this Agreement and for a continuing uninterrupted period commencing upon the expiration or termination of this Agreement, regardless of the cause for termination, and continuing for one (1) year thereafter; and

(b) Any janitorial, cleaning or maintenance business which operates or services Customers within twenty (20) miles from any Customer location serviced by Franchisor or any Mint Condition franchisee during the term of this Agreement and for a continuous uninterrupted period commencing upon the expiration or termination of this Agreement, regardless of the cause of termination, and continuing for two (2) years thereafter.

B. Paragraph XIX.A. shall not apply to ownership by Franchisee of less than two percent (2%) beneficial interest in the outstanding equity securities of any corporation which is registered under the Securities Exchange Act of 1934.

C. 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 Paragraph XIX. is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an un-appealed final decision to which Franchisor is a party, Franchisee expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Paragraph XIX.

D. Franchisee understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Paragraph XIX.A. or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof; and Franchisee agrees that it shall comply forthwith with any covenant as so modified.

E. Franchisee expressly agrees that the existence of any claims it may have now or in the future against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Paragraph XIX.

F. Franchisee acknowledges that any failure to comply with the requirements of this Paragraph XIX. would result in irreparable injury to Franchisor, for which no adequate remedy at law may be available, and Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Paragraph XIX.

## XX. Force Majeure

If the performance of any obligation under this Agreement is prevented or delayed, in whole or in part, by reason of force majeure, or the consequence thereof, affecting the parties hereto or the rights granted hereunder, such force majeure to include but not be limited to acts of God, fire, flood, governmental restrictions, lockouts or labor disputes, then the affected party shall be given such additional time as is reasonable to perform in view of the nature and extent of the force majeure.

## XXI. Permits and Government Action

A. Franchisee shall comply with all federal, state, and local laws, rules and regulations, and shall timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the Franchised Business, including, without limitation, licenses to do business, fictitious name registrations, sales tax permits, and fire clearances.

B. Franchisee shall notify Franchisor in writing within ten (10) days of the commencement of any

action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, which may adversely affect the operation or financial condition of the Franchised Business.

**XXII. Independent Contractor and Indemnification**

A. You and we are independent contractors. Neither this Agreement, the nature of the relationship of the parties nor the dealings of the parties pursuant to this Agreement will create, directly or indirectly, any fiduciary or similar relationship between the parties hereto.

B. Nothing contained in this Agreement, or arising from the conduct of the parties hereunder, is intended to make either party a general or special agent, joint venturer, joint employer, partner or employee of the other for any purpose whatsoever. You agree to conspicuously identify yourself in all dealings with customers, lessors, contractors, suppliers, public officials, employees and others as the owner of your Business and agree to place such other notices of independent ownership at your place of Business and on forms, business cards, stationery, advertising and other materials as we may require from time to time.

You may not make any express or implied agreements, warranties, guarantees or representations or incur any debt in our name or on our behalf or represent that the relationship of the parties hereto is anything other than that of independent contractors. We will not be obligated by or have any liability under any agreements made by you with any third party or for any representations made by you to any third party. We will not be obligated for any damages to any person or property arising directly or indirectly out of the operation of your business hereunder. During the term of this Agreement and any extensions thereof, Franchisee shall hold itself out to the public as an independent contractor operating the Franchised Business pursuant to a franchise from Franchisor.

C. It is understood and agreed that nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name, and that Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action, or by reason of any act or omission of Franchisee in its conduct of the Franchised Business or any claim or judgment arising therefrom. Franchisee shall indemnify and hold Franchisor and Franchisor's officers, directors, shareholders, and employees harmless against any and all claims, demands, liabilities and costs arising directly or indirectly from, as a result of, or in connection with, Franchisee's operation of the Franchised Business, as well as the costs, including attorneys' fees, of defending against them.

D. You agree to indemnify us, our Affiliates and our respective directors, officers, employees, shareholders, agents, successors and assigns (collectively "indemnitees"), and to hold the indemnitees harmless to the fullest extent permitted by law, from any and all losses and expenses (as defined below) incurred in connection with any litigation or other form of adjudicatory procedure, claim, demand, investigation, or formal or informal inquiry (regardless of whether it is reduced to judgment) or any settlement thereof which arises directly or indirectly from, or as a result of, a claim of a third party in connection with the selection, development, ownership, operation or closing of your Business (collectively "event"), and regardless of whether it resulted from any strict or vicarious liability imposed by law on the indemnitees, provided, however, that this indemnity will not apply to any liability arising from a breach of this Agreement by the indemnitees or the gross negligence or willful acts of indemnitees (except to the extent that joint liability is involved, in which event the indemnification provided herein will extend to any finding of comparative or contributory negligence attributable to Franchisee). The term "losses and expenses" includes compensatory, exemplary, and punitive damages; fines and penalties; attorneys' fees; experts' fees; court costs; costs associated with investigating and defending against claims; settlement amounts; judgments; compensation for damages to our reputation and goodwill; and all other costs associated with any of the foregoing losses and expenses. You agree to give us prompt notice of any event of which you are aware for which indemnification is required, and, at your expense and risk, we may elect to assume (but under no circumstance obligated to undertake) the defense and/or settlement thereof, provided that we will seek your advice and counsel. Our assumption of the defense does not modify your indemnification obligation. We may, in our reasonable discretion, take such actions as we deem necessary and appropriate to investigate,

defend, or settle any event or take other remedial or corrective actions with respect thereof as may be, in our reasonable discretion, necessary for the protection of the indemnitees of Mint Condition of Charlotte, Inc. generally. This Section XXII D. will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

#### XXIII. Approvals and Waivers

A. Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor therefor, and such approval or consent shall be obtained in writing.

B. Franchisor makes no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee by providing any waiver, approval, consent, or suggestion to Franchisee in connection with this Agreement, or by reason of any neglect, delay, or denial of any request therefor.

C. 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 any of the terms, provisions, covenants, or conditions hereof shall constitute a waiver by Franchisor to enforce any such right, option, duty, or power as against Franchisee, or as to a subsequent breach or default by Franchisee. Subsequent acceptance by Franchisor of any payments due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, provisions, covenants, or conditions of this Agreement.

#### XXIV. Notices

Whenever notice is required or permitted to be given under the terms of this Agreement, it shall be given in writing, and be delivered personally or by certified mail or courier, postage prepaid, addressed to the party for whom intended, and shall be deemed given on the date of delivery or delivery is refused. All such notices shall be addressed to the party to be notified at their respective addresses as set forth in the introductory paragraph of this Agreement, or at such other address or addresses as the parties may from time to time designate in writing.

#### XXV. Entire Agreement

The language of this Agreement will be construed according to its fair meaning and not strictly against or for any party. The introduction, personal guarantees, Schedules and addenda (if any) to this Agreement, as well as the Operations Manual, are a part of this Agreement and constitute the entire agreement of the parties with respect to the subject matters hereof and supersede all prior oral or written agreements, commitments or understandings with respect to the matters provided for herein. If there is an inconsistency between the terms of this Agreement and the Operations Manual, the terms of this Agreement will prevail. Except as otherwise expressly provided herein, there are no other oral or written agreements, understandings, representations or statements relating to the subject matter of this Agreement, other than our franchise disclosure document, that either party may or does rely on or that will have any force or effect. This Agreement is binding on the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest. Nothing in this Agreement will be deemed to confer any rights or remedies on any person or legal entity not a party hereto, other than successors and assigns of any party to this Agreement whose interests are assigned in accordance with its terms.

#### XXVI. Severability and Construction

A. Except as expressly provided to the contrary herein, each portion, paragraph, section, part, term, and/or provision of this Agreement shall be considered severable; and if, for any reason, any portion, paragraph, section, part, term, and/or provisions herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portion, paragraph, section, part, term, and/or provision of this Agreement as may remain otherwise intelligible; and the latter shall continue to be given full force and effect

and bind the parties hereto; and said invalid portion, paragraph, section, part, term, and/or provision shall be deemed not to be a part of this Agreement.

B. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisee, Franchisor, Franchisor's officers, directors, and employees, and such of Franchisee's and Franchisor's respective successors and assigns hereof, any rights or remedies under or by reason of this Agreement.

C. Franchisee expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision hereof, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court may hold to be unreasonable and unenforceable in a final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

D. All captions in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

E. All references herein to the masculine, neuter, or singular shall be construed to include the masculine, feminine, neuter, or plural, where applicable, and all acknowledgments, promises, covenants, agreements, and obligations herein made or undertaken by Franchisee shall be deemed jointly and severally undertaken by all those executing this Agreement on behalf of Franchisee.

F. This Agreement may be signed in counterparts. The parties to this Agreement hereby consent to do business electronically. Pursuant to the Uniform Electronic Transactions Act as adopted by the State of North Carolina, the parties hereby affirm to each other that they agree with the terms of the Agreement, and by attaching their digital signature, including any DocuSign signature, to this Agreement, they are executing the document and intending to attach their digital signature to it. Furthermore, the parties acknowledge that the other parties to this Agreement can rely on a digital signature, including a DocuSign signature, as the respective party's signature.

G. This Agreement may not be amended except: (a) as noted below; (b) by written agreement signed by both parties; and (c) as otherwise provided herein with respect to the Operations Manual. This Agreement may be amended at any time whenever we and a super-majority (as hereinafter defined) of Mint Condition Franchises agree to any such amendment. We agree to provide you, at least ninety (90) days prior to the date such amendment is to be effective, a copy of the proposed amendment, together with a brief statement explaining the reasons therefor. A "super-majority" of Mint Condition Franchisees shall consist of the owners of at least 75% of all franchised Mint Condition franchises in the United States of America. Whenever a super-majority of Mint Condition franchises approve an amendment in the manner provided for herein, such amendment shall be binding on all Mint Condition Franchisees, including you, to the same extent and in the same manner as if the amendment was unanimously approved by all Mint Condition Franchisees, and regardless whether you may or may not desire to be bound by the amendment. By signing this Agreement, you appoint any of our officers as your attorney in fact with irrevocable power and authority to execute any such amendment so approved.

## XXVII. Applicable Law

A. This Agreement takes effect upon its acceptance and execution by Franchisor in the State of North Carolina, and shall be interpreted and construed under the laws of the State of North Carolina, which laws shall prevail in the event of any conflict of law; provided, however, that if any of the provisions of this Agreement would not be enforceable under the laws of North Carolina, then such provisions shall be interpreted and construed under the laws of the state in which the principal office of Franchisee is located.

B. The parties agree that any action brought by either party against the other in any court, whether federal or state, shall be brought within the State of North Carolina and do hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

C. No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor shall be deemed to be, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

D. Nothing herein contained shall bar Franchisor's right to obtain injunctive relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

E. In the event of any action at law or in equity to secure or protect rights under or to enforce the terms of this Agreement, except as otherwise provided for in this Agreement, the prevailing party shall be entitled to recover reasonable counsel fees together with court costs and expenses incurred in connection with the litigation.

F. Subject to and in accordance with applicable law, you may institute a multi-plaintiff claim (involving more than one plaintiff that is not one of your Owners or Affiliates) or a class action claim in a court of competent jurisdiction against us for the sole purpose of seeking: (a) preliminary and permanent injunctive relief or specific performance as a result of a breach of this Agreement. You agree that multi-plaintiff or class action claims may not be instituted for any claims or purposes other than those listed above in this Section XXVII F. You further agree that any such action shall be brought exclusively in the State of North Carolina.

G. Except with respect to any of your obligations herein regarding the Confidential Information and the Marks, we and you (and your Owners) each agrees, to the fullest extent permitted by law, not to assert any right to or claim for any punitive, exemplary or special damages against the other directly or indirectly arising from or relating to this Agreement.

#### XXVIII. Acknowledgements

A. Franchisee acknowledges that the success of the business venture contemplated by this Agreement involves substantial business risks and will be largely dependent upon the ability of Franchisee as an independent business entity. Franchisor expressly disclaims the making of, and Franchisee acknowledges not having received, any warranty or guarantee, express or implied, as to the potential volume, profits, or success of the business venture contemplated by this Agreement.

B. Franchisee acknowledges that Franchisee has received, read, and understood this Agreement, the Schedules attached hereto, and agreements relating hereto, if any; that other franchise agreements entered into by Franchisor may be different in form and content from this Agreement; and that Franchisor has accorded Franchisee ample time and opportunity, and has encouraged Franchisee, to consult with advisors of Franchisee's own choosing about the potential benefits and risks of entering into this Agreement.

C. Franchisee acknowledges that it received a complete copy of this Agreement, the Schedules hereto, and agreements relating hereto, if any, at least 7 calendar days prior to the date on which this Agreement was executed. Franchisee further acknowledges that it has received the disclosure document required by the Trade Regulation Rule of the Federal Trade Commission, which rule is entitled "Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Venturers," at least 14 calendar days prior to the date on which this Agreement was executed.

[signatures on the following page]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered three copies of this Agreement on the day and year first above written.

FRANCHISOR:

MINT CONDITION OF CHARLOTTE, INC.

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

\_\_\_\_\_  
Andre Haskins, Area Manager  
(Print Name, Title)

FRANCHISEE:

\_\_\_\_\_

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

\_\_\_\_\_  
(Print Name, Title)

PRINCIPAL:

\_\_\_\_\_

\_\_\_\_\_  
(Print Name)

PRINCIPAL:

\_\_\_\_\_

\_\_\_\_\_  
(Print Name)

## **ATTACHMENT 1**

### **TERRITORY**

1. Nonexclusive Territories: \_\_\_\_\_
2. Initial Business Amount: \$ \_\_\_\_\_
3. Initial Offering Period: \_\_\_\_\_
4. Franchise Fee for Initial Business: \$ \_\_\_\_\_
5. Down Payment for Franchise Deposit: \$ \_\_\_\_\_
6. Financed Amount of Franchise Fee: \$ \_\_\_\_\_
7. Annual Interest Rate for Financed Amount of Franchise Fee: \_\_\_\_\_
8. Length of Amortization Term of Promissory Note: \_\_\_\_\_
9. Amount of Monthly Payment for Promissory Note: \$ \_\_\_\_\_
10. Franchise Opening Date: \_\_\_\_\_

## ATTACHMENT 2

### DISCLOSURE OF OWNERSHIP INTERESTS

MINT CONDITION OF CHARLOTTE, INC.  
FRANCHISE AND TRADEMARK AGREEMENT  
WITH

\_\_\_\_\_  
(insert Franchisee name)

dated \_\_\_\_\_  
(insert Agreement Date)

1. Operating Partner. The name and home address of the Operating Partner is as follows:

\_\_\_\_\_

2. Form of Entity of Franchisee. Franchisee is a \_\_\_\_\_ organized on \_\_\_\_\_, under the laws of the State of \_\_\_\_\_. It has not conducted business under any name other than its corporate name, other as a franchisee of Mint Condition of Charlotte, Inc. The following is a list of all of Franchisee's directors or managers, and officers as of \_\_\_\_\_.

Name of Each Director or Manager/Officer

Position(s) Held

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

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

- (b) Partnership. Franchisee is a [general] [limited] partnership with the name of \_\_\_\_\_ formed on \_\_\_\_\_ under the laws of the State of \_\_\_\_\_. It has not conducted business under any name other than its partnership name. The following is a list of all of Franchisee's general partners as of \_\_\_\_\_, \_\_\_\_\_.

Name of General Partner

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

3. Owners. Franchisee and each of its Owners represent and warrants that the following is a complete and accurate list of all Owners of Franchisee, including the full name and mailing address of each Owner, and fully describes the nature and extent of each Owner's interest in Franchisee. Franchisee, and each Owner as to its ownership interest, represents and warrants that each Owner is the sole and exclusive legal and beneficial owner of his ownership interest in Franchisee, free and clear of all liens, restrictions, agreements and encumbrances of any kind or nature, other than those required or permitted by this Agreement.

Owner's Name and Address

Description of Interest

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

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

---

---

---

---

---

---

---

---

[signatures on the following page]

FRANCHISOR:

MINT CONDITION OF CHARLOTTE, INC.

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

\_\_\_\_\_, Area Manager  
(Print Name, Title)

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

FRANCHISEE:

\_\_\_\_\_

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

\_\_\_\_\_, \_\_\_\_\_  
(Print Name, Title)

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

PRINCIPAL:

\_\_\_\_\_

\_\_\_\_\_  
(Print Name)

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

PRINCIPAL:

\_\_\_\_\_

\_\_\_\_\_  
(Print Name)

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

### ATTACHMENT 3

### PROMISSORY NOTE

### INITIAL BUSINESS

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

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

FOR VALUE RECEIVED, the undersigned \_\_\_\_\_, and \_\_\_\_\_  
\_\_\_\_\_'s Principal(s) \_\_\_\_\_ jointly and severally (the "Makers"), promise to pay to the order  
of **Mint Condition of Charlotte, Inc.** a North Carolina corporation (the "Holder"), the principal sum of \_\_\_\_\_  
Dollars (\$ \_\_\_\_\_), together with interest thereon, in lawful currency of the United States, without  
set-off or deduction, in installments as described below.

1. Payments. Makers shall pay principal and interest in \_\_\_\_\_ (\_\_\_\_\_) monthly installments  
of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) each, beginning \_\_\_\_\_, 20XX, and  
the entire unpaid balance of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) on \_\_\_\_\_, 20XX  
("Maturity Date"). Interest shall accrue from the date hereof at the rate of \_\_\_\_\_ percent (\_\_\_\_%)  
per annum. Payments shall be remitted to Holder at its office in \_\_\_\_\_ or such other place as  
Holder may designate in writing. Payments shall continue until the principal amount and all accrued interest is  
paid in full. Payments shall be applied first against all accrued interest, and then against principal. Pre-payments  
of principal are permitted, but will not operate to delay or eliminate any regular due date until the entire principal  
amount is paid in full. Partial prepayment shall be applied to installments due in the reverse order of their maturity.

2. Set-Off. This Note is unsecured. Makers agree that Holder, without waiving any other rights it  
may have, shall have the right to set-off to withdraw or retain any amounts due and unpaid by Makers from any  
accounts or amounts otherwise payable to Makers, by Holder.

3. Default. Any of the following shall be an event of default under this Note: (a) failure to make  
any payments of principal or interest under this Note, as and when due; (b) death, dissolution, or termination of  
existence of Makers; business failure; appointment of a receiver for any part of any property of Makers; any  
assignment for the benefit of creditors, or commencement of any proceedings under any bankruptcy or insolvency  
law by or against Makers; (c) assignment or sale of Franchisee's franchise, or change of control of by or from the  
Maker(s). For purposes of (c) an assignment, sale, or change of control occurs when at least 50.1% of the equity  
of the franchise is sold or assigned to a third party or when more than 50% of the management changes in the  
aggregate from the management that was in place as of the date of the promissory note. If the franchisee is an  
individual, any assignment or sale of his individual interests shall constitute an assignment.

4. Suspension and Extension. If the Holder believes that it is in the best interest of the Makers to  
allow suspension temporarily of the required payments on the Note, or the extension of the Note's Maturity Date,  
then the Holder shall notify the Makers in writing as to the reason for the suspension, the term of the suspension  
of the required payments, when the payments will be reinstated, and the extension of the Maturity Date that may  
result from the suspension of payments. As the suspension of payments and/or extension of the Maturity Date is  
intended to be a benefit to Makers it is not necessary that Makers sign any such written notice of such  
modifications. Accordingly, such notice shall be attached to the Note and it shall be incorporated by reference in  
and to the Note. If the Makers object to the suspension of payments and/or the extension of the Maturity Date they  
shall provide such objection to Holder in writing whereupon the Holder will not suspend such payments or extend  
such Maturity Date, and in that case the Note shall remain in full force and effect and un-modified.

5. Remedies. Upon the occurrence of any event of default, Holder may, at its option, elect any or all of the following remedies, which shall be cumulative: (a) declare all unpaid installments and any and all monies due or to become due under this Note immediately due and payable; and (b) exercise any and all other rights and remedies permitted to a creditor at law or in equity.

6. General.

A. Makers agree that all liability under this Note is joint and several among them.

B. In no event shall the amount of interest paid hereunder, together with all amounts reserved, charged, or taken by Holder as compensation for fees, services, or expenses incidental to the making, negotiation, or collection of the debt evidenced hereby exceed the maximum amount of interest, if any, on the unpaid principal balance hereof allowable by applicable law. If any sum is collected in excess of any applicable maximum amount, the excess collected shall be applied to reduce the principal debt.

C. No delay or failure by Holder to exercise any right or remedy shall operate as a waiver thereof, and no single or partial exercise by Holder of any right or remedy shall preclude other or future exercises of any other right or remedy.

D. Upon any default by Makers hereunder, Makers agree to pay and Holder shall be entitled to collect all costs and expenses incurred by Holder in exercising any of Holder's rights and remedies including, without limitation, reasonable legal expenses and accepting fees and court costs and expenses.

E. Makers hereby waive presentment, demand and notice of dishonor, and agree to any extension of time of payment of any payment due under this Note.

F. In the event of the death of any of the undersigned individuals, their executors or administrators agree to comply with each and every agreement contained herein.

G. This Note and the documents referred to herein are the entire agreement between the parties with respect to the matters herein. Other than the notice of suspension or extension of the Maturity Date, which will be by notice to the Makers by Holder, no amendment or modification of this Note shall be effective unless in writing and signed by an authorized representative of each of the parties. This Note shall be governed by and interpreted under the laws of the State of North Carolina. If any provision of this Note is invalid or contrary to law, the remaining provisions shall remain in full force and effect.

H. In the event the Holder must enforce any of the terms of this promissory note it shall be entitled to recover its reasonable attorney's fees incurred in the enforcement of this promissory note, it being understood that the amount of such attorneys' fees shall be 15% of the then remaining principal on the promissory note and accrued interest thereon.

[signatures on the following page]

IN WITNESS WHEREOF, the undersigned has hereunto set his/her hand and seal, as of the date first set forth above.

FRANCHISEE:

\_\_\_\_\_

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

\_\_\_\_\_, \_\_\_\_\_

(Print Name, Title)

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

PRINCIPAL:

\_\_\_\_\_

\_\_\_\_\_

(Print Name)

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

PRINCIPAL:

\_\_\_\_\_

\_\_\_\_\_

(Print Name)

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

## ATTACHMENT 4

### OWNERS' PERSONAL GUARANTY

#### MINT CONDITION OF CHARLOTTE, INC. FRANCHISE AGREEMENT WITH

\_\_\_\_\_  
(insert Franchisee name)

\_\_\_\_\_  
(insert Agreement Date)

In consideration of, and as an inducement to, the execution of the Mint Condition of Charlotte, Inc. Franchise Agreement dated as of \_\_\_\_\_ (the "Agreement") by and between **Mint Condition of Charlotte, Inc.** ("Franchisor"), and \_\_\_\_\_ and \_\_\_\_\_'s Principal(s) \_\_\_\_\_ ("Franchisee"), and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the undersigned, each of whom is an owner of an interest in Franchisee as of the date of this document, hereby personally and unconditionally: (1) joins, agrees to be bound by all of the terms and conditions of the Agreement, and guarantees to Franchisor and its successors and assigns, for the term of the Agreement and thereafter 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 that each and every representation of Franchisee made in connection with the Agreement is true, correct and complete in all respects at and as of the time given; and (2) agrees personally to be bound by, and personally liable for the breach of, each and every provision in the Agreement.

Each of the undersigned waives: (a) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right he/she may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (e) any and all other notices and legal or equitable defenses to which he/she may be entitled relating to the validity or enforceability of this guaranty.

Each of the undersigned consents and agrees that: (i) his/her direct and immediate liability under this guaranty shall be joint and several; (ii) he/she shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (iii) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and (iv) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the term of the Agreement and thereafter and shall continue until any and all indebtedness and obligations thereunder are satisfied in full.

IN WITNESS THEREOF, each of the undersigned has hereunto affixed his signature, under seal, on the same day and year as the Agreement was executed.

[signatures on the following page]

PERCENTAGE OF OWNERSHIP  
INTERESTS IN FRANCHISEE

GUARANTOR(S)

\_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

DATE: \_\_\_\_\_

Mint Condition of Charlotte, Inc.

By: \_\_\_\_\_  
Andre Haskins, Area Manager

**ATTACHMENT 5**

**ASSIGNMENT OF FRANCHISE AGREEMENT**

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

This Franchise Agreement Transfer Approval is made this \_\_\_\_\_ by and between:

(A) ASSIGNEE(S):           Name  
                                  Address

(B) ASSIGNOR:            "NAME"  
                                  "ADDRESS"  
                                  "ADDRESS"  
                                  "ADDRESS"

(C) Mint Condition: Mint Condition of Charlotte, Inc., a North Carolina Corporation with its corporate offices located at 1057 Red Ventures Drive, Suite 165, Fort Mill, South Carolina 29707.

WHEREAS, Assignor operates a Mint Condition franchise, with its principal place of business located at \_\_\_\_\_ ("Address").

WHEREAS, the operation of Assignor's Mint Condition franchise is governed by a Mint Condition Franchise Agreement executed by Assignor ("Franchise Agreement");

WHEREAS, Assignor desires to transfer its Mint Condition franchise and the governing Mint Condition Franchise Agreement to the Assignee;

WHEREAS, Mint Condition finds ASSIGNEE(S) to have a satisfactory credit rating, business qualifications, and moral character;

WHEREAS, ASSIGNOR is not currently in default of any of the terms of his current Mint Condition Franchise Agreement between ASSIGNOR and Mint Condition dated \_\_\_\_\_ ("Franchise Agreement"), and that the ASSIGNOR has satisfied all current financial obligations due Mint Condition.

NOW, THEREFORE, in consideration of the mutual promises contained herein the Parties agree as follows:

1. ASSIGNOR has paid to Mint Condition all currently due and outstanding fees owed to it, and as of the date of this Agreement it is up to date in its obligations to Mint Condition, and is a franchisee in good standing.

2. ASSIGNOR hereby assigns all of his rights title and interest it currently has in and to the Mint Condition Franchise license and the governing Franchise Agreement originally granted to ASSIGNOR, and ASSIGNOR hereby assigns to ASSIGNEE(S) all of its rights, title and interest in and to the Mint Condition Franchise license and Franchise Agreement for the balance of the term stated therein.

3. ASSIGNEE(S) effective as of the date of this Assignment shall assume all of the obligations contained in the Franchise Agreement, and agrees to honor those obligations as if it had been the original signor of said Agreement.

4. Mint Condition hereby approves the assignment by ASSIGNOR to the ASSIGNEE(S) of the franchise license granted under the above-mentioned Franchise Agreement and hereby permits the Assignment by ASSIGNOR to ASSIGNEE(S) of the above referenced, and approves ASSIGNEE(S) assumption of the obligations contained in the Franchise Agreement.

5. As partial consideration for Franchisor agreeing to approve the Assignment of the Franchise Agreement the Assignor, its predecessors in interest, its affiliates, parent and subsidiaries, together with all of their respective offices, directors, managers, stockholders, employees, legal representatives and all of their successors and assigns (“Releasing Party”) shall release, hold harmless, and forever discharge from responsibility the Franchisor, its predecessors in interest, parent, subsidiaries, affiliates, together with all of their respective officers, directors, managers, shareholders, employees, and their successors, assigns, and legal representatives, from and against any and all claims, causes of action, judgments, money damages, and/or liabilities (“Claims”), whether in contract, tort, and/or statutory arising from or growing out of directly or indirectly the Wine and Design license and governing Franchise Agreement, where such Claims accrued prior to the date of this Agreement.

6. Unless otherwise modified by this Agreement the governing Franchise Agreement shall remain in full force and effect, un-modified, and un-cancelled.

[signatures on the following page]

EXECUTED by the Parties to this Agreement on the date first above written.

ASSIGNEE(S):

\_\_\_\_\_  
"PERSON ACCEPTING ASGN"

\_\_\_\_\_  
"PERSON ACCEPTNG ASGN"

ASSIGNOR:

\_\_\_\_\_  
"PERSON ASSIGNING"

\_\_\_\_\_  
"PERSON ASSIGNING"

Mint Condition.

By: \_\_\_\_\_  
Authorized Representative

**ATTACHMENT 6**  
**CONFIDENTIALITY AND NONDISCLOSURE AGREEMENT**

THIS AGREEMENT, made and entered into this \_\_\_\_\_, by and between **Mint Condition of Charlotte, Inc.**, a North Carolina corporation (hereinafter referred to as the “Company”) and \_\_\_\_\_ (hereinafter referred to as the “Prospective Franchisee”);

**WITNESSETH THAT:**

WHEREAS, the Prospective Franchisee desires to obtain certain confidential and proprietary information from the Company for the sole purpose of inspecting and analyzing said information in an effort to determine whether to purchase a franchise from the Company, and;

WHEREAS, the Company is willing to provide such information to the Prospective Franchisee for such limited purpose under the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties hereto agree as follows:

1. **DEFINITION.** “Confidential Information” is used herein to mean any and all information and documentation disclosed to or made available to the Prospective Franchisee by the Company, whether orally or in writing, as well as any and all information, documentation or devices heretofore or hereafter produced by the Prospective Franchisee in response to or in reliance on said information and documentation disclosed or made available by the Company.

2. **TERM.** The parties hereto agree that the restrictions and obligations of this Agreement shall be deemed to have been in effect from the commencement of the ongoing negotiations between the Prospective Franchisee and the Company on the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, and shall continue in perpetuity or until the Company has released such information into the public domain, in which case the Prospective Franchisee’s obligations hereunder shall cease only with respect to such information so released.

3. **TRADE SECRET ACKNOWLEDGMENT.** The Prospective Franchisee acknowledges and agrees the Confidential Information is a valuable trade secret of the Company.

4. **TREATMENT OF CONFIDENTIAL INFORMATION.** In consideration of the disclosure to the Prospective Franchisee of the Confidential Information, the Prospective Franchisee agrees to treat the Confidential Information in confidence and to undertake the following additional obligations with respect thereto:

(A) To use the Confidential Information for the sole purpose of inspecting and analyzing the Confidential Information in an effort to determine whether to purchase a franchise from the Company, and, if such purchase occurs, solely in its operation of such franchise;

(B) Not to disclose the Confidential Information to any third party;

(C) To limit dissemination of the Confidential Information to only those officers, directors and employees of the Prospective Franchisee who have a need to know to perform the limited

tasks set forth in Paragraph 4(a) above; and who have agreed to the terms and obligations of this Agreement by affixing their signatures hereto, or who have executed a separate confidentiality and nondisclosure agreement in such form as is satisfactory to the Company in its sole discretion;

(D) Not to copy the Confidential Information or any portions thereof; and

(E) To return the Confidential Information and all copies, documents, notes and physical evidence thereof, to the Company upon a determination that the Prospective Franchisee no longer has a need therefore, or upon a request therefore from the Company, whichever occurs first.

5. REMEDIES. The Prospective Franchisee hereby acknowledges that any violation of the provisions of this Agreement will cause the Company irreparable harm and agrees that the Company shall be entitled to an injunction restraining any violation or attempted or threatened violation of this Agreement (without any bond or other security being required), or any other appropriate decree of specific performance. Such remedy shall not be exclusive and shall be in addition to any other remedy which the Company may have at law or equity.

6. SURVIVAL OF OBLIGATIONS. The restrictions and obligations of this Agreement shall survive any expiration, termination or cancellation of this Agreement and shall continue to bind the Prospective Franchisee and the Prospective Franchisee's heirs, successors and assigns in perpetuity.

7. NEGATION OF LICENSES. Except as expressly set forth herein, no rights to licenses, expressed or implied, are hereby granted to the Prospective Franchisee as a result of or related to this Agreement.

8. APPLICABLE LAW. This Agreement shall be construed and enforced in accordance with the laws of the State of North Carolina.

[signatures on the following page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first set forth above.

MINT CONDITION OF CHARLOTTE, INC.

By: \_\_\_\_\_  
John F. Saumby, President

PROSPECTIVE FRANCHISEE

\_\_\_\_\_(SEAL)  
Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_(SEAL)  
Signature

\_\_\_\_\_  
Print Name

## **EXHIBIT C**

### **FINANCIAL STATEMENTS**

- Audited financial statements for Mint Condition Franchise Group, LLC, for fiscal years ending 2022, 2023, and 2024



**Mint Condition Franchise Group, LLC**

Audited Financial Statements

For the Year Ended December 31, 2024

# Table of Contents

Independent Auditors' Report	2
Financial Statements:	
Balance Sheet	3
Income Statement and Statement of Changes in Stockholder's Equity	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 – 8



**Davies, Goldstein  
& Associates CPA's PLLC**  
**Certified Public Accountants**

## **INDEPENDENT AUDITORS' REPORT**

To the Stockholder of Mint Condition Franchise Group, LLC  
Fort Mill, SC

### **Opinion**

We have audited the accompanying financial statements of Mint Condition Franchise Group, LLC. which comprise the balance sheet as of December 31, 2024 and the related statements of income, change in stockholder's equity, and cash flow for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mint Condition Franchise Group, LLC. as of December 31, 2024, and the changes in stockholder's equity and its cash flow for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Mint Condition Franchise Group, LLC.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

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

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

Handwritten signature in black ink that reads "Jones, Goldstein & Associates, CPA's PLLC".

Matthews, North Carolina  
February 28, 2025

**Mint Condition Franchise Group, LLC**  
**Balance Sheet**  
**December 31, 2024**

**Assets**

**Current Assets:**

Cash and Cash Equivalents	\$ 733,427
Accounts Receivable, net of allowance for credit losses	99,847
Deferred Contract Costs	46,927
Prepaid Expenses	9,274
Notes Receivable	35,635
Total Current Assets	<u>925,110</u>

**Long-Term Assets:**

Deferred Contract Costs, net of current portion	343,036
Notes Receivable, net of current portion	160,635
Total Long-Term Assets	<u>503,671</u>

Total Assets	<u><u>\$ 1,428,781</u></u>
--------------	----------------------------

**Liabilities and Stockholders' Equity**

**Current Liabilities:**

Accounts Payable and Accrued Liabilities	\$ 34,312
Due to Related Party	72,276
Contract Liabilities	104,510
Total Current Liabilities	<u>211,098</u>

**Long-Term Liabilities:**

Contract Liabilities, net of current portion	769,777
Total Long-Term Liabilities	<u>769,777</u>

Total Liabilities	980,875
-------------------	---------

**Stockholder's Equity**

Retained Earnings	447,906
Total Stockholder's Equity	<u>447,906</u>

Total Liabilities and Stockholder's Equity	<u><u>\$ 1,428,781</u></u>
--	----------------------------

**Mint Condition Franchise Group, LLC**  
**Income Statement and Statement of Changes in Stockholder's Equity**  
**For the Year Ended December 31, 2024**

**Revenue**

Master Franchise Royalty	\$ 847,492
Master Franchise Sales	629,356
Marketing Fees	148,314
Total Revenue	<u>1,625,162</u>

**Other Operating Expenses**

Compensation	646,837
Contract Costs	279,270
Sales and Marketing	203,979
Professional Services	109,279
General and Administrative	80,237
Conference & Events	37,846
Business Tax	26,792
Insurance	15,007
Rent	12,507
Auto	4,014
Total Expenses	<u>1,415,768</u>

**Net Income**

\$ 209,394

**Stockholder's Equity, Beginning of Year**

\$ 287,484

Net Income

209,394

Owner Distributions

(48,972)

**Stockholder's Equity, End of Year**

\$ 447,906

**Mint Condition Franchise Group, LLC**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2024**

**Cash flows from operating activities:**

Net Income	\$ 209,394
Adjustments to reconcile net income to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
(Increase) Decrease in:	
Accounts receivable	(39,507)
Notes receivable	(196,270)
Deferred contract costs	(227,962)
Prepaid expenses	(9,274)
Increase (Decrease) in:	
Accounts payable and accrued liabilities	12,077
Due from related party	91,326
Contract liabilities	556,480
Net cash provided by operating activities	<u>396,264</u>

**Cash flows from financing activities:**

Owner Distributions	<u>(48,972)</u>
Net cash (used in) financing activities	<u>(48,972)</u>

<b>Net change in cash and cash equivalents</b>	<u>347,292</u>
--	----------------

<b>Cash and Cash Equivalents, January 1st</b>	<u>386,135</u>
---	----------------

<b>Cash and Cash Equivalents, December 31st</b>	<u><u>\$ 733,427</u></u>
---	--------------------------

# Mint Condition Franchise Group, LLC

## Notes to the Financial Statements

### For the Year Ended December 31, 2024

---

#### 1. Organization and Business

Mint Condition Franchise Group, LLC (the “Company”) was organized during 2022 in the state of South Carolina for the purpose of acquiring master franchisees. The business activities of the Company include selling franchise rights to own and operate Mint Condition franchises which offer commercial cleaning services. As of December 31, 2024, there are 14 master franchises operating with 3 new master franchises added in 2024.

#### 2. Summary of Significant Accounting Policies

##### Basis of Accounting

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

##### Revenue Recognition

The Company recognizes revenue in accordance with FASB Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* (ASC 606). The terms of the current Franchise Disclosure Document require franchisees to pay the Company an initial franchise fee in exchange for the Company’s assistance in training, manuals, systems, a designated territory to operate in, and other start up supplies and support. Under ASC 606, the franchisor must determine if the pre-opening activities contain any distinct goods or services, known as performance obligations, and then allocate the initial franchise fees to those performance obligations using the stand-alone selling price of the goods or services. Further clarification was provided in ASU 2021-02 *Franchisors – Revenue from Contracts with Customers* which allows private companies a practical expedient in determining the amount and timing of revenue recognition for pre-opening activities.

Previously the initial master franchise fee was deferred at the time of sale and amortized over the term of the agreement. Upon further inspection of the performance obligations as the Company has continued to expand into new territories, management determined that this recognition model did not accurately reflect the true nature of the delivery of the service to the franchisee. Effective January 2024, 50% of the initial master franchise fee is recognized within the first 12 months of operation with the remaining 50% amortized evenly over the remainder of the franchise agreement. The performance obligations delivered in the first 12 months of operation for a franchisee include a program of training and start up support provided to the new franchise which is distinct from the ongoing support provided over the term of the license. A significant amount of time is incurred in this onboarding process. The result of this change in accounting estimate is a prior period adjustment of \$239,668 to contract liabilities and retained earnings.

Master Franchises are required to pay a royalty fee of 4% of the gross revenue of the franchised business. Under the Master Franchise Agreement, there is a minimum royalty fee requirement which must be paid if higher than 4% of the gross revenue. The Company also charges a placement fee and national advertising fund contribution fee as outlined in the Franchise Disclosure Document (FDD). There may be additional fees which are payable to the Company or a 3<sup>rd</sup> party which are outlined in the FDD.

##### Deferred Contract Costs

Expenses incurred to obtain a new franchisee are capitalized and amortized over the same period as the initial franchise fee income is recognized. As a result of the change in estimate for the recognition of the initial franchise fee, there was also a change in the amortization period for the deferred contract costs. The result of this change in accounting estimate is a prior period adjustment of \$102,304 to deferred contract costs and retained earnings.

**Mint Condition Franchise Group, LLC**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**

---

**2. Summary of Significant Accounting Policies (continued)**

Cash and Cash Equivalents

Cash and cash equivalents consist of cash in bank deposit accounts. The carrying amount approximates fair value due to the nature of the instruments. At December 31, 2024 the Company's cash balances were in excess of FDIC insurance limits however, there were no losses as a result and management deems the risk of loss to be remote.

Royalties and Fees Receivable

Royalties and fees receivable are derived from royalties and fees owed by the master franchises not yet remitted.

The Company reviewed all outstanding accounts and determined that no allowance for credit losses was necessary as of December 31, 2024.

Notes Receivable

The Company, at its discretion, lends the money for some the initial master franchise fee and allows the master franchise to repay it in monthly installments over 1 to 3 years. There were 2 notes outstanding as of December 31, 2024 with both having their first payments due subsequent to year end.

Fixed Assets

Fixed assets consist of a vehicle purchased in 2017 which was depreciated over a 5 year useful life and is fully depreciated at December 31, 2024.

Use of Estimates

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

**3. Income Taxes**

The Company with the consent of its stockholder, has elected under the Internal Revenue Code to be an S corporation. In lieu of corporation income taxes, the stockholders of an S corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for income taxes has been included in these financial statements. The Company does not believe that there are any material uncertain tax positions and accordingly, it will not recognize any liability for unrecognized tax benefits. For the year ended December 31, 2024, there was no interest or penalties recorded or included in the Company's financial statements.

The Company is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any open tax periods.

**Mint Condition Franchise Group, LLC**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**

---

**4. Related Party Transactions**

The Company has a franchise agreement with an entity related to the Company by common ownership. Royalty revenue received from the entity for the year ended December 31, 2024 was approximately \$239,800.

The Company shares office space and some employees and is also covered under a common insurance policy with the franchisee. Office rent and insurance are allocated between the Company and the franchisee based on the use of space. There are also 6 employees that split time between the Company and the franchisee and some employees which receive bonuses related to work performed on behalf of the Company. The related compensation expense is allocated based on time and effort spent on each area. These amounts are billed back to the Company at the end of the year and recorded as due to related party in the accompanying balance sheet.

**5. Property and Equipment**

Property and equipment consist of the following:

Furniture & Fixtures	\$65,089
Accumulated Depreciation	(65,089)
	<u>\$0</u>

**6. Retirement Plan**

All employees working 1,000 hours or more that have completed one year of service are eligible to participate in a defined contribution benefit plan qualified under section 401(k) of the Internal Revenue Code. The Company contributes 3% of the employee's compensation which is fully vested immediately as well as discretionary profit-sharing contributions which are vested based on years of service. The Company contributed \$240,000 to the plan during the year ended December 31, 2024. All employee contributions are vested immediately.

**7. Subsequent Events**

In preparing these financial statements in accordance with Accounting Standards Codification No. 855 – Subsequent Events, the Company has evaluated events and transactions for potential recognition or disclosure February 28, 2025, the date the financial statements were available to be issued. The Company has no knowledge of significant subsequent events as of this date that would require adjustment to or disclosure in the financial statements.



Mint Condition Franchise Group, LLC

Financial Statements and  
Supplementary Information

As of December 31, 2023 and 2022

Together with  
Independent Auditor's Report



# **MINT CONDITION FRANCHISE GROUP, LLC**

## **FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**

**December 31, 2023 and 2022**

### **TABLE OF CONTENTS**

	<u>Page No.</u>
INDEPENDENT AUDITOR'S REPORT.....	1
FINANCIAL STATEMENTS:	
Balance Sheets.....	4
Statements of Operations.....	6
Statements of Stockholder's Equity.....	7
Statements of Cash Flows.....	8
Notes to Financial Statements.....	9
SUPPLEMENTARY INFORMATION:	
Schedule of General and Administrative Expenses.....	14



1616 Camden Road, Suite 510, Charlotte NC 28203  
220 North King Street, Hendersonville NC 28792  
1304 Professional Drive, Suite B, Myrtle Beach SC 29577  
P 704-552-0553 F 704-496-2210 www.trustbgw.com

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors and Stockholder of  
Mint Condition Franchise Group, LLC  
Fort Mill, South Carolina

### **Opinion**

We have audited the accompanying financial statements of Mint Condition Franchise Group, LLC. (a North Carolina corporation) which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations, stockholder's equity, and cash flows for the year ended December 31, 2023 and the period of January 6, 2022 through December 31, 2022, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mint Condition Franchise Group, LLC. as of December 31, 2023 and 2022 and the results of their operations and their cash flows for the year ended December 31, 2023 and the period of January 6, 2022 through December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate the conditions or events, considered in the aggregate, that raise substantial doubt about Mint Condition Franchise Group, LLC's ability to continue as a going concern within one year after the date the financial statements

are available to be issued.

### **Auditor's Responsibility for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

### **Emphasis of Matter**

As discussed in Note 2 to the financial statements, in 2023, the Company adopted FASB ASC 326, Financial Instruments - Credit Losses. Our conclusion is not modified with respect to this matter.

## **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of General and Administrative Expenses are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Charlotte, North Carolina,  
February 27, 2024

*BGW CPA, PLLC*

# **MINT CONDITION FRANCHISE GROUP, LLC**

## **BALANCE SHEETS**

**December 31, 2023 and 2022**

### **ASSETS**

	<b>2023</b>	<b>2022</b>
CURRENT ASSETS:		
Cash	\$386,135	\$370,787
Accounts receivable, net	60,340	69,111
Deferred contract costs - current portion	33,804	33,804
Prepaid expenses	-	1,872
Related party receivable	19,050	-
Total current assets	499,329	475,574
DEFFERED CONTRACT COSTS, long-term portion	230,501	264,305
Total assets	\$729,830	\$739,879

The accompanying notes to financial statements are an integral part of these statements.

**MINT CONDITION FRANCHISE GROUP, LLC**

**BALANCE SHEETS**

**December 31, 2023 and 2022**

**LIABILITIES AND STOCKHOLDER'S EQUITY**

	<u>2023</u>	<u>2022</u>
CURRENT LIABILITIES:		
Accounts payable	\$17,103	\$14,366
Accrued expenses	5,132	-
Deferred franchise revenue - current	69,719	69,719
Total current liabilities	<u>91,954</u>	<u>84,085</u>
DEFERRED FRANCHISE REVENUE, long-term	487,756	557,476
STOCKHOLDER'S EQUITY:		
Retained earnings	<u>150,120</u>	<u>98,318</u>
Total liabilities and stockholder's equity	<u><u>\$729,830</u></u>	<u><u>\$739,879</u></u>

The accompanying notes to financial statements are an integral part of these statements.

**MINT CONDITION FRANCHISE GROUP, LLC**

**STATEMENTS OF OPERATIONS**

**For the period of January 6, 2022 through December 31, 2022  
and the Year Ended December 31, 2023**

	<u>2023</u>	<u>2022</u>
REVENUES:		
Master franchise royalty	\$895,953	\$821,069
Master franchise sales	35,884	69,523
Telemarketing fees	1,419	1,297
Total revenues	<u>933,256</u>	<u>891,889</u>
GENERAL AND ADMINISTRATIVE EXPENSES	<u>495,093</u>	<u>553,195</u>
INCOME FROM OPERATIONS	<u>438,163</u>	<u>338,694</u>
OTHER (EXPENSES) INCOME	<u>(46,585)</u>	<u>37</u>
NET INCOME	<u><u>\$391,578</u></u>	<u><u>\$338,731</u></u>

The accompanying notes to financial statements are an integral part of these statements.

**MINT CONDITION FRANCHISE GROUP, LLC**

**STATEMENTS OF STOCKHOLDER'S EQUITY**

**For the period of January 6, 2022 through December 31, 2022  
and the Year Ended December 31, 2023**

	<u>Common stock</u>	<u>Retained Earnings</u>	<u>Total</u>
BALANCE AT DECEMBER 31, 2021	\$ -	\$ -	\$ -
Net income	-	338,731	338,731
Creation of company through related party transfer	-	(140,413)	(140,413)
Distributions	<u>-</u>	<u>(100,000)</u>	<u>(100,000)</u>
BALANCE AT DECEMBER 31, 2022	<u>-</u>	<u>98,318</u>	<u>98,318</u>
Net income	-	391,578	391,578
Distributions	<u>-</u>	<u>(339,776)</u>	<u>(339,776)</u>
BALANCE AT DECEMBER 31, 2023	<u>\$ -</u>	<u>\$150,120</u>	<u>\$150,120</u>

The accompanying notes to financial statements are an integral part of these statements.

# MINT CONDITION FRANCHISE GROUP, LLC

## STATEMENTS OF CASH FLOWS

**For the period of January 6, 2022 through December 31, 2022  
and the Year Ended December 31, 2023**

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$391,578	\$338,731
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation expense	-	13,052
Changes in:		
Accounts receivable	8,771	(70,247)
Deferred contract costs	33,804	(147,920)
Prepaid expenses	1,872	(1,872)
Related party receivable	(19,050)	1,636
Notes receivable	-	3,600
Accounts payable	2,737	14,366
Accrued expenses	5,132	-
Deferred franchise revenue	(69,720)	319,441
Net cash provided by operating activities	<u>355,124</u>	<u>470,787</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Distributions	<u>(339,776)</u>	<u>(100,000)</u>
INCREASE IN CASH	15,348	370,787
CASH, beginning of year	<u>370,787</u>	<u>-</u>
CASH, end of year	<u><u>\$386,135</u></u>	<u><u>\$370,787</u></u>

The accompanying notes to financial statements are an integral part of these statements.

# MINT CONDITION FRANCHISE GROUP, LLC

## NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

**Business Activities** – On January 6, 2022, Mint Condition Franchise Group, LLC began operations. Mint Condition Franchise Group, LLC, “The Company”, obtains customers under janitorial contracts and assigns janitorial customers to master franchisees in certain areas of North and South Carolina, Texas, Tennessee, Florida, Pennsylvania, Utah, and Georgia. The assignment is made via a franchise agreement which grants the franchisee the right to use the Company's marketing and business techniques and systems in the janitorial service business under the "Mint Condition" trademark. The economic climate in North and South Carolina, Texas, Tennessee, Florida, Pennsylvania, Utah, and Georgia will have an impact on the nature, timing, and amount of future revenues and cash flows.

The Company is organized as a South Carolina limited liability company and shall remain in existence in perpetuity.

#### **Revenue Recognition:**

*Franchise fees and royalty income* – The Company sells master franchises in the form of a franchise agreement that grants the non-exclusive right to operate a Mint Condition franchised business and to do so solely in connection with the Company's proprietary system. The Company is obligated to provide the franchisee with a minimum annual janitorial revenue base, initial supplies, and training. The master franchisee is granted exclusive rights within a non-exclusive territory. The Company is obligated to provide the master franchisee initial and ongoing training in starting and operating the business. In addition to the initial master franchise fee, the Company receives royalties on the sales of the master franchisee. Revenue from the franchise fees are recognized over the term of the respective franchise agreement from the date the contract is signed. Revenues from royalties are recognized over the term of the respective franchise agreement based on the royalties earned each period as the underlying sales occur. The initial term of the agreement is 10 years. Prior to the end of the franchise term or as otherwise provided by the Company, a franchisee may elect to renew the term of a franchise agreement and, if approved, the franchisee will pay a renewal fee upon execution of the renewal term. Upon approval, the renewal term is 10 years and the franchisee will not be granted additional renewals or additional rights.

*Accounting and other franchisee related fees* – The Company provides the franchisee with monthly billing and collection services on the assigned janitorial customers. The Company remits the collections to the franchisee after deducting the franchise service fees, royalties, insurance charges, accounting fees, account replacement fees, financing payments and other amounts due. Revenue for these fees are recognized monthly as the services are being provided.

*Deferred contract costs* – The Company incurs costs such as commissions and broker fees when selling master franchises. These costs are recognized on the balance sheet upon paying them and are recognized as general and administrative expenses over the term of the initial agreement term of 10 years based on the date the contract is signed.

*Deferred franchise revenue* – The unearned portion of deposits received by the Company from its franchisees, initial franchise fee due from franchisees, and franchise renewal fees are recorded as deferred franchise revenue on the balance sheets. The master franchise amounts are recognized as master franchise royalty and master franchise sales on the statement of operations over the initial agreement term of 10 years.

**Accounts Receivable and Credit Risks** – Accounts receivable are unsecured customer obligations due under normal trade terms requiring payment within 30 to 90 days from the invoice date and amounts are considered delinquent based on contractual terms. Accounts receivable generally consist of billings to customers which are collected on behalf of the franchisee. The Company performs on-going credit evaluations of its customers and generally does not require collateral on accounts receivable. Senior management reviews accounts receivable at the time the invoice is generated to determine if any receivable amounts will have an expected loss. Any receivable considered to have a loss is included in the allowance for credit losses at that time. After all attempts to collect a receivable have failed, the receivable is written off against the allowance. Receivables unpaid after the agreed upon terms are considered delinquent. The Company does not charge interest on delinquent receivables. For the year ended December 31, 2023, an allowance for credit losses was not considered necessary.

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

**Property and Equipment** – Property and equipment is recorded on the basis of cost and is depreciated using the straight-line method over estimated useful lives of the assets. Expenditures for repairs and maintenance costs are charged to expense as incurred. Upon asset disposition, the costs and related accumulated depreciation amounts are relieved, and any resulting gain or loss is reflected in operations during the period of disposition.

**Income Taxes** – The Company with the consent of its stockholder, has elected under the Internal Revenue Code to be an S corporation. In lieu of corporation income taxes, the stockholders of an S corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for income taxes has been included in these financial statements. The Company does not believe that there are any material uncertain tax positions and accordingly, it will not recognize any liability for unrecognized tax benefits. For the year ended December 31, 2023 and for the period of January 6, 2022 through December 31, 2022, there were no interest or penalties recorded or included in the Company's financial statements.

**Advertising Expenses** – Costs associated with advertising are charged to expense as incurred. Advertising expenses for the year ended December 31, 2023 and for the period of January 6, 2022 through December 31, 2022, were \$100,467 and \$98,783, respectively.

## **2. CHANGE IN ACCOUNTING PRINCIPLES:**

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't

measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the company that are subject to the guidance in FASB ASC 326 were trade accounts receivable.

The Company adopted the standard effective January 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only.

### 3. ROYALTY INCOME:

The minimum royalty under a master franchise agreement for the year December 31, 2023, is as follows:

<u>Months</u>	<u>Small Minimum Monthly Fee</u>	<u>Standard Minimum Monthly Fee</u>
1 - 6	\$ -	\$ -
7 - 12	\$ 400	\$ 600
13 - 24	\$ 1,000	\$ 1,500
25 - 36	\$ 1,500	\$ 2,250
37 - 48	\$ 2,250	\$ 3,375
49 - 60	\$ 3,000	\$ 4,500
61 - 72	\$ 3,750	\$ 5,625
73 - 120	\$ 4,500	\$ 6,750

The minimum royalty under a master franchise agreement for the for the period of January 6, 2022 through December 31, 2022, is as follows:

<u>Months</u>	<u>Minimum Monthly Fee</u>
1 - 3	\$ -
4 - 12	\$ 250
13 - 24	\$ 500
25 - 36	\$ 1,000
37 - 48	\$ 1,500
49 - 60	\$ 2,000
61 - 72	\$ 2,500
73 - 240	\$ 3,000

As of February 27, 2024, there have been no changes to the above mentioned royalty agreements.

### 4. CONTRACT BALANCES:

*Accounts receivable* – Receivables relate primarily to payments due for the gross billings of janitorial customers less an allowance for credit loss, if necessary.

*Deferred contract costs* – The deferred contract costs represent the unamortized portion of commissions and brokers fees. Total deferred contract costs as of December 31, 2023 and 2022 were \$264,305 and \$298,109, respectively.

*Deferred franchise revenue* – The deferred franchise revenue represents the unearned portion of deposits received by the Company from its franchisees, franchise fees due from franchisees, and franchise renewal fees. Total deferred revenue as of December 31, 2023 and 2022 was \$557,475 and \$627,195, respectively.

## 5. PROPERTY AND EQUIPMENT:

Property and equipment consist of the following at each December 31:

	Estimated Life	2023	2022
Vehicle	5 years	\$65,089	\$65,089
Less accumulated depreciation		<u>(65,089)</u>	<u>(65,089)</u>
Property and equipment, net		<u>\$ -</u>	<u>\$ -</u>

## 6. SUPPLEMENTAL CASH FLOW INFORMATION:

The following items are the non-cash operating activities of the Company in relation to its creation on January 6, 2022 and as of December 31:

Creation of company due to transfer from a related entity:

	2023	2022
Accounts receivable	<u>\$ -</u>	<u>\$1,136</u>
Property and equipment	<u>\$ -</u>	<u>(\$13,052)</u>
Notes receivable	<u>\$ -</u>	<u>(\$3,600)</u>
Deferred contract costs	<u>\$ -</u>	<u>(\$150,189)</u>
Deferred franchise revenue	<u>\$ -</u>	<u>\$307,754</u>
Due to related party	<u>\$ -</u>	<u>(\$1,636)</u>
Retained earnings	<u>\$ -</u>	<u>(\$140,413)</u>

**7. CAPITAL STRUCTURE AND OPERATING AGREEMENT:**

The Company is wholly owned by a limited liability company. The Company's operating agreement authorizes the Company to engage in any lawful activity, specifies the profit/loss allocation, among other items, as agreed to in the agreement.

**8. RETIREMENT PLAN:**

The Company has established a Simple IRA pension plan, covering all employees who earned \$5,000 or more, per year, during any prior two years of employment. The Company makes a matching contribution to each eligible employee's Simple IRA equal to the employee's salary reduction contributions up to a limit of 3% of the employee's compensation for the year.

The employer contribution for the year ended December 31, 2023 and for the period of January 6, 2022 through December 31, 2022, was \$4,424 and \$5,039, respectively.

**9. CASH CONCENTRATIONS:**

The Company places its cash on deposit with a North Carolina financial institution. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. From time to time during the year, the Company's cash balances may exceed this insured limit. At December 31, 2023 and 2022, the Company's cash balance did exceed this limit.

**10. RELATED PARTY TRANSACTIONS:**

**Royalty Revenue** - The Company has a franchise agreement with an entity related to the Company by common ownership. Royalty revenue received from the entity for the year ended December 31, 2023 and for the period of January 6, 2022 through December 31, 2022, were approximately \$237,550 and \$230,800, respectively.

**11. SUBSEQUENT EVENTS:**

Events and transactions occurring after December 31, 2023, have been evaluated to determine proper recognition and disclosure in the financial statements. Subsequent events and transactions were evaluated through February 27, 2024, which represents the date the financial statements were available to be issued.

As of January 1, 2024, the Company converted from a Simple IRA pension plan to a 401(k) plan and implemented the plan in accordance with the plan document.

**MINT CONDITION FRANCHISE GROUP, LLC**

**SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES**

**For the period of January 6, 2022 through December 31, 2022  
and the Year Ended December 31, 2023**

	<b>2023</b>	<b>2022</b>
Salaries and wages	\$ 171,895	\$ 194,282
Advertising	100,467	98,783
Professional services	91,977	103,255
Dues and subscriptions	45,056	32,857
Employee benefits	41,948	39,808
Payroll taxes	12,510	13,825
Office supplies	7,661	16,378
Auto expense - indirect	7,344	1,553
Travel and entertainment	5,277	12,240
Retirement plan expense	4,424	5,039
Taxes and licensing	3,211	8,590
Telephone	2,844	4,006
Postage expense	359	309
Bank charges and credit card fees	120	218
Depreciation	-	13,052
Rent expense	-	9,000
Total general and administrative expenses	<u>\$495,093</u>	<u>\$553,195</u>

See independent auditor's report.

## EXHIBIT D

### **LIST OF MINT CONDITION FRANCHISED BUSINESSES**

#### **LIST OF MASTER FRANCHISED BUSINESSES**

**(As of December 31, 2024)**

<b>ARIZONA</b>	
Balduf, Miranda SMB Companies Inc. 2025 N. 3 <sup>rd</sup> Street, Suite 310 Phoenix, AZ 85004	480-716-2500 Office
<b>FLORIDA</b>	
Jones, Dustin 82 <sup>nd</sup> ARBN Inc. 1031 Ives Dairy Road #228 Miami, FL 33179	954-809-8370 Office
Lombardo, Salvatore M.A.F.L. Cleaning Solutions LLC 4613 Phillips Hwy., Suite 203 Jacksonville, FL 32207	904-379-6267 Office
<b>GEORGIA</b>	
Hensley, James and Karen Riverfront Commercial Cleaning, Inc. 5755 North Point Pkwy, Suite 235. Alpharetta, GA 30022	678-254-0962 Office
<b>KANSAS</b>	
Wadehra, Raman Running Clean, LLC 12460-B2 W. 62 <sup>nd</sup> Terrace Shawnee, KS 66216	913-912-3495 Office
<b>MISSOURI</b>	
Wadehra, Raman Running Clean, LLC 12460-B2 W. 62 <sup>nd</sup> Terrace Shawnee, KS 66216	913-912-3495 Office
<b>NORTH CAROLINA</b>	
Aron, Ted Aron Enterprises, LLC 1204 Village Market Pl., #270 Morrisville, NC 27560	919-380-6468 Office
Harroff, David DPH Investments, Inc. P.O. Box 638 Pineville, NC 28134	704-707-5310 Office
<b>PENNSYLVANIA</b>	
Deck, Amanda & Andy CasIndia Company, LLC 590 Centerville Road #336 Lancaster, PA 17601	717-682-6866 Office
<b>SOUTH CAROLINA</b>	

Hensley, James and Karen Riverbend Commercial Cleaning, LLC 1200 Woodruff Road, A-3 Greenville, SC 29607	864-527-1263 Office
<b>TENNESSEE</b>	
Miller, Michael MCCADISON Corporation, Inc. 101 Southeast Pkwy Court, Suite 230 Franklin, TN 37064 (2 Territories)	615-807-1913 Office
<b>TEXAS</b>	
Brown, David & Intriago, Elba Ascent Group Inc. 8951 Cypress Waters Blvd., Suite 160 Dallas, TX 75019	972-658-7046 Office
Sheppard, Mark Faraday Post Inc. 8100 Washington Avenue, Ste. 150M Houston, TX 77007	713-909-0010 Office
<b>UTAH</b>	
Clark, Steven Clark Commercial Cleaning, LLC 6975 South Union Park Avenue, Suite 600 Cottonwood Heights, UT 84047	801-597-2679 Office

**EXHIBIT E**

**MINT CONDITION MASTER FRANCHISE**

**OPERATIONS MANUAL TABLE OF CONTENTS**

<b><u>TITLE</u></b>	<b><u>PAGE</u></b>
<b>Chapter 1: Use and Revision of Manuals</b>	
1.0 Overview .....	1:1
1:1. Notice of Changes to the Manual .....	1:2
1.2 Temporary Changes Pending Revision of Manual .....	1:2
1.3 Revision of Manual .....	1:3
1.4 Distribution of the Manual .....	1:3
Attachment 1 – Manual Receipt	
Total Pages of Chapter 1 .....	5
<b>Chapter 2: Introduction to the Company</b>	
2.0 Introduction to the Company .....	2:1
2.1 Company Mission and Goals .....	2:5
2.2 Company Personnel .....	2:11
2.3 Criteria for Success as a Franchise Owner .....	2:13
2.4 The Importance of Organization .....	2:23
Total Pages of Chapter 2 .....	24
<b>Chapter 3: Image</b>	
3.0 Overview of the Company Image .....	3:1
3.1 Standards for Dress, Grooming and Behavior .....	3:7
3.2 Personal Image .....	3:10
<b><i>Mint Condition Master Franchise Operations Manual</i></b>	<b>1</b>

3.3	Image Building Idea.....	3:11
	Total Pages of Chapter 3.....	17
<b>Chapter 4:</b>	<b>Timetable for Opening</b>	
4.0	Master Franchise Legal Entity .....	4:1
4.1	Steps for Opening a Mint Condition Master Franchise.....	4:2
	Attachment 1 – Checklist for Opening	
	Attachment 2 – Office Furniture and Equipment	
	Attachment 3 – Initial Franchise Supplies List	
	Attachment 4 – Printed Items List	
	Attachment 5 – Office Supplies List	
	Attachment 6 – Franchise Supply List	
	Total Pages of Chapter 4.....	22
<b>Chapter 5:</b>	<b>Insurance</b>	
5.0	Introduction .....	5:1
5.1	Overall Coverage Requirements.....	5:1
5.2	Evidence of Coverage .....	5:4
5.3	Choosing an Insurance Broker or Agent .....	5:5
5.4	Risk Management.....	5:6
	Total Pages of Chapter 5.....	9
<b>Chapter 6:</b>	<b>Telemarketing</b>	
6.0	Introduction .....	6:1
6.1	Mission Statement.....	6:2
6.2	Core Values .....	6:3
6.3	Telemarketers Responsibilities .....	6:5
<b><i>Mint Condition Master Franchise Operations Manual</i></b>		<b>2</b>

6.4	Value Proposition.....	6:7
6.5	Ideal Customer .....	6:8
6.6	Marketing Specialist Strategy .....	6:10
6.7	Training Script.....	6:15
6.8	Overcoming Objections on the Phone .....	6:19
6.9	Leaving Voicemails .....	6:21
6.10	Critical Information on Contact Screen.....	6:22
6.11	Cold Calls by Zip Code.....	6:26
6.12	Notes After the Call.....	6:30
6.13	Scheduling a Follow Up Call.....	6:32
6.14	Organizing Calls/Follow Ups .....	6:34
6.15	Scheduling an Appointment for Sales Person .....	6:43
6.16	How to Input New Leads into ACT.....	6:46
6.17	Adding New Contacts to ACT.....	6:48
	Attachment 1 – Generic Letter	
	Attachment 2 – Have Cleaners Letter	
	Attachment 3 – Before Renewal Letter	
	Attachment 4 – Follow Up Letter	
	Attachment 5 – New Appointment Confirmation Letter	
	Attachment 6 – Drip Marketing Examples	
	Total Pages of Chapter 6.....	57

## **Chapter 7: Sales**

7.0	Target Customers .....	7:1
7.1	Account Mix.....	7:2

7.2	Pricing For Cleaning Accounts.....	7:3
7.3	Workloading.....	7:5
7.4	Pricing Periodic Work and Supplies.....	7:22
7.5	The Sales Process.....	7:44
7.6	WinTeam.....	7:64
7.7	Changing a Task Code.....	7:86
7.8	Creating a New Task Code.....	7:88
7.9	Additional Workloading Information.....	7:89
7.10	Creating a New Task Code.....	7:92
7.11	Adding an Area.....	7:96
7.12	Exporting From WinTeam.....	7:101
7.13	Roll Over an Area.....	7:115
7.14	Workloading – Addendum for Additional Space.....	7:120
7.15	Workloading – Addendum for Frequency Change.....	7:139
7.16	ACT Directions for Salesperson.....	7:163
	Total Pages of Chapter 7.....	171

## **Chapter 8: Recruiting Franchise Owners**

8.0	Introduction.....	8:1
8.1	Timing.....	8:1
8.2	Digital Marketing.....	8:3
8.3	Budget.....	8:5
8.4	Steps in the Sales Process for Individual Franchisees.....	8:8
8.5	Soliciting Sub-Contractors.....	8:18

Attachment 1 – Building Relationships

Attachment 2 – Job New Advertisements	
Attachment 3 – Newspaper Ad	
Attachment 4 – Radio Sample Schedule	
Attachment 5 – Referral Fee Flyer	
Attachment 6 – Phone Interview Form	
Attachment 7 – Franchisee Packet	
Attachment 8 – Initial Business Plan	
Attachment 9 – Sample FDD Presentation	
Attachment 10 – Background Check Form	
Attachment 11 – Sub-Contractor Interview Sheet	
Attachment 12 – Sample Sub-Contractor Agreement	

Total Pages of Chapter 8.....	43
-------------------------------	----

## **Chapter 9      Customer Service/Operations**

9.0	The Importance of Customer Service .....	9:1
9.1	Points of Client Contact .....	9:4
9.2	Other Elements of Good Customer Service .....	9:5
9.3	Resolving Client Service Issues .....	9:6
9.4	Individual Franchise Owner Relations.....	9:10
9.5	Resolving Individual Franchise Owner Issues .....	9:14
9.6	Operations .....	9:16
9.7	Setting up an Account .....	9:18
9.8	Making Changes to an Existing Account.....	9:19
9.9	Canceling an Account .....	9:19
9.10	Inspections .....	9:19

9.11	Temporarily Handling Accounts.....	9:26
9.12	Making Changes to an Existing Account.....	9:36
	Attachment 1 – Operations Questions Asked at Walk-Thru	
	Attachment 2 – ACT Instructions for Inspections	
	Attachment 3 – Inspection Report	
	Attachment 4 – Revenue Replacement Form	
	Total Pages of Chapter 9.....	40

## **Chapter 10     Admin**

10.0	Customer Accounts Process Overview .....	10:1
10.1	Entering Appt Information in Commission Tracker .....	10:2
10.2	New Customer Account Setup .....	10:4
10.3	Input New Leads in ACT .....	10:9
10.4	Ordering Supplies for Customers.....	10:19
10.5	Changes to Customer Accounts .....	10:20
10.6	Processing Customer Complaints/Concerns .....	10:24
10.7	Canceling a Customer Accounts .....	10:26
10.8	Franchise Program Overview.....	10:32
10.9	Phone Interviews/Emailing Information Packets.....	10:33
10.10	Preparing Paperwork for Franchise Signing .....	10:38
10.11	Franchisee Training Preparation .....	10:39
10.12	Franchisee Starter Kit Ordering Process .....	10:45
10.13	Ordering Supplies for Franchisee.....	10:49
10.14	Promissory Note Preparation .....	10:51
10.15	Processing Changes/Updates to Franchisee File.....	10:54

Attachment 1 – New Account Check List	
Attachment 2 – Account Changes Check List	
Attachment 3 – Canceled Account Check List	
Attachment 4 – Phone Interview Form	
Attachment 5 – Initial Uniform & Supply Package	
Attachment 6 – Initial Equipment Package	
Attachment 7 – Starter Kit Order Form Examples	
Attachment 8 – Franchisee Address Change Form	

Total Pages of Chapter 10.....	55
--------------------------------	----

## **Chapter 11     Sales For Individual Franchise Owners**

11.0     Sign Up Appointment .....	11:1
11.1     Steps To Take After Signing Up the New Franchise Owner .....	11:3
Attachment 1 – Check List for Franchisee Sign Up and Paperwork	
Attachment 2 – Check List for Franchisee Training and Paperwork	
Attachment 3 – Franchisee File Set Up Instructions	

Total Pages of Chapter 11.....	44
--------------------------------	----

## **Chapter 12     Bookkeeping/Accounting**

12.1.0     Cash Receipts.....	12:3
12.1.1     Accounts Receivable.....	12:4
12.1.2     New Customer Set-up .....	12:6
12.1.3     Monthly Recurring Invoices – AR.....	12:18
12.1.4     Customer Permanent Contract Changes.....	12:25
12.1.5     Temporary Adjustments.....	12:26
12.1.6     Canceled Account .....	12:31

12.1.7 Janitorial Supplies/Starter Kits.....	12:32
12.1.8 Invoicing Billable Periodic Work .....	12:35
12.1.9 AR Print Invoices.....	12:38
12.1.10 Cash Posting.....	12:40
12.1.11 AR General Ledger Update.....	12:46
12.1.12 AR Collections .....	12:50
12.1.13 Sales Tax .....	12:52
12.1.14 AR Reports.....	12:55
<b>12.2.0 Cash Disbursements.....</b>	<b>12:55</b>
12.2.1 AP Main Menu .....	12:57
12.2.2 New Vendor/Franchisee/Subcontractor Set-up.....	12:59
12.2.3 Vendor Invoices for General Payments and Supplies .....	12:62
12.2.4 Credit Card Vendor: Purchases & Credit Card Reconciliation .....	12:67
12.2.5 Franchisee/Sub-contractor Payments .....	12:74
12.2.6 Promissory Notes .....	12:78
12.2.7 Permanent Franchisee Changes.....	12:81
12.2.8 Temporary Adjustments.....	12:83
12.2.9 Canceled Account .....	12:88
12.2.10 Printing Checks .....	12:89
12.2.11 Voiding an AP Check.....	12:99
12.2.12 AP General Ledger Update .....	12:101
12.2.13 Use Tax Due.....	12:104
12.2.14 Forms for AP Vendors .....	12:106
12.2.15 AP Reports .....	12:107

<b>12.3.0 General Ledger</b> .....	12:108
12.3.1 Chart of Accounts Overview.....	12:109
12.3.2 Journal Update Log.....	12:110
12.3.3 Monthly Close Procedures.....	12:114
12.3.4 Accounting Task Timeline.....	12:124
12.3.5 Balancing AR Aging to the General Ledger.....	12:125
12.3.6 Balancing AP Aging to the General Ledger.....	12:126
12.3.7 Reconciling Bank Statements.....	12:127
12.3.8 Sample Financial Statements.....	12:143
12.3.9 External Reporting.....	12:147
Total Pages of Chapter 12.....	147
<b>Chapter 13 Periodic</b>	
13.0 Standard Procedures for Effective Floor Care.....	13:1
Total Pages of Chapter 13.....	74
<b>Total Number of Pages in Table of Contents</b> .....	<b>9</b>
<b>Total Overall Number of Pages in Operations Manual</b> .....	<b>717</b>

## EXHIBIT F

### **STATE AMENDMENTS TO DISCLOSURE DOCUMENT AS REQUIRED BY STATUTORY AND REGULATORY PROVISIONS**

---

#### **INDIANA**

AMENDMENTS RELATING TO STATUTORY AND REGULATORY PROVISIONS AND REQUIREMENTS OF THE STATE OF INDIANA AND APPLICABLE TO THE FRANCHISE DISCLOSURE DOCUMENT.

The following language shall be added to Items 17(c) and 17(m) of the Disclosure Document:

The release will not relieve any person from liability to be imposed by the Indiana Deceptive Franchise Practices Act, IC 23-2-2.7.

The following language shall be added to Item 17(r) of the Disclosure Document:

The time and geographic scope of the covenant not to compete shall not be greater than allowed by IC 23-2-2.7-1(9).

Item 23 of the Disclosure Document shall be amended as follows:

We must provide this disclosure document to you at least 10 days prior to the execution by you of a binding franchise or other agreement, or at least ten 10 days prior to the receipt of any consideration, whichever first occurs.

---

### **ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, MASTER FRANCHISE AGREEMENT AND SAMPLE UNIT FRANCHISE AGREEMENT REQUIRED BY THE STATE OF MARYLAND**

1. Item 17 is amended to state:

(a) Any claims arising under the Maryland Franchise Law must be brought within three (3) years after the grant of the franchise.

(b) Any general release required by the terms and conditions of the Franchise Agreement as a condition of renewal, assignment or transfer shall not apply to any liability under the Maryland Franchise Law.

(c) Our right to terminate you upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. §101 *et. seq.*).

(d) A franchisee may bring lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law

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

3. Item 5 of this Disclosure document is revised to state: Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by subfranchisor shall be deferred until the franchisor completes its pre-opening obligations under the Master Franchise Agreement

---

## MICHIGAN

### AMENDMENTS RELATING TO STATUTORY AND REGULATORY PROVISIONS AND REQUIREMENTS OF THE STATE OF MICHIGAN AND APPLICABLE TO THE FRANCHISE DISCLOSURE DOCUMENT.

#### **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 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 expiration of its term except for good cause. Good cause shall include 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 shall 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 in the conduct of the franchise business are not subject to compensation. This subsection applies only if (i) the term of the franchise was less than five 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, 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 months advanced 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 the state. This shall not preclude the franchisees from entering into an agreement at the time of arbitration to conduct arbitration at a location outside this state.

(g) A provision in which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subsection does not prevent a franchisor from exercising a right of first refusal to purchase a 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 sub-franchisor.
- (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 resale to the franchisor any items that are not uniquely identified with the franchisor. This subsection 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 bonafide third party willing and able to purchase those assets, nor does this subsection prohibit a provision that grants a franchisor the right to acquire the assets of the franchise for the market or appraised value of such asset 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 that 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.**

Item 23 of the Disclosure Document shall be amended as follows:

We must provide this disclosure document to you at least 10 business days before the execution by you of any binding franchise or other agreement or at least 10 business days before the receipt of any consideration, whichever occurs first.

---

#### MINNESOTA

AMENDMENTS RELATING TO STATUTORY AND REGULATORY PROVISIONS AND REQUIREMENTS OF THE STATE OF MINNESOTA AND APPLICABLE TO THE FRANCHISE DISCLOSURE DOCUMENT.

The following language shall be added to the Cover Page of the Disclosure Document:

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING. THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OR ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT TOGETHER WITH A COPY OF ALL PROPOSED

AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

The following language shall be added to Item 6 “Interest on Late Payments” column and Note 6 of the Disclosure Document:

Notwithstanding anything said to the contrary, Minn. Stat. §604.113 allows for only one service charge per dishonored check that is not to exceed \$30.

The following language shall be added to Item 11 and Sections 17(c) and (m) of the Disclosure Document:

Mint Condition Franchise Group, LLC., will not require a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota statutes 1973 supplement, § 80C.01 to 80C.22; except as part of the voluntary settlement of disputes.

The following language shall be added to Item 17 of the Disclosure Document, and in instances where this language of the addendum is in conflict with Item 17, the language of the addendum shall control:

In the State of Minnesota, (a) no person (Mint Condition) may terminate or cancel a franchise without good cause and without first having given written notice setting forth all the reasons for such termination or cancellation to the Franchisee at least 90 days in advance of such termination or cancellation, and the recipient of the notice fails to correct the reasons stated for termination or cancellation in the notice within 60 days of receipt of the notice; except that the notice shall be effective immediately upon receipt where the alleged grounds are:

- (1) Voluntary abandonment of the franchise relationship by the Franchisee; or
- (2) The conviction of the Franchisee in a court of competent jurisdiction of an offense directly related to the business conducted pursuant to the franchise; or
- (3) Failure to cure a default under the Franchise Agreement which materially impairs a goodwill associated with the Franchisor's tradename, trademark, service mark, logo type or other commercial symbol after the Franchisee has received written notice to cure at least 24 hours in advance thereof.

Franchisor shall give Franchisee 180 days' notice for non-renewal of the franchise agreement.

No person may terminate or cancel a franchise except for good cause. “Good cause” means failure by the franchisee to substantially comply with the material and reasonable franchise requirements imposed by the franchisor including, but not limited to:

- (1) the bankruptcy or insolvency of the franchisee;
- (2) assignment for the benefit of creditors or similar disposition of the assets of the franchise business;
- (3) voluntary abandonment of the franchise business;
- (4) conviction or a plea of guilty or no contest to a charge of violating any law relating to the franchise business; or

- (5) any act by or conduct of the franchisee which materially impairs the goodwill associated with the franchisor's trademark, tradename, service mark, logotype or other commercial symbol.

The following language shall be included on the Cover Page and Item 17 of the Disclosure Document:

Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, and Mint Condition Franchise Group, LLC, is prohibited from requiring a franchisee to waive his or her rights to a jury trial or to waive rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or to consent to liquidated damages, termination penalties, or judgment notes; provided that this part shall not bar an exclusive arbitration clause, pursuant to Minn. Rule 2860.4400J.

The following language shall be added to Item 23 of the Disclosure Document:

We must provide this disclosure document to you at least 7 days prior to the execution by you of any franchise or other agreement, or at least 7 days prior to the payment of any consideration by you, whichever occurs first.

---

UTAH

AMENDMENTS RELATING TO STATUTORY AND REGULATORY PROVISIONS AND REQUIREMENTS OF THE STATE OF UTAH AND APPLICABLE TO THE FRANCHISE DISCLOSURE DOCUMENT.

The following language shall be added to the Cover Page of the Disclosure Document:

**Information for Purchase of a Marketing Plan:**

To protect you, the State Division of Consumer Protection has required your seller to give you this information. *The State Division of Consumer Protection has not verified this information as to its accuracy.* The notice may contain additional precautions deemed necessary and pertinent. The seller, in lieu of the information requested by Section 13-15-4, may file with the commission and provide to prospective purchasers certified disclosure documents authorized for use by the Federal Trade Commission pursuant to title 16, chapter I, subchapter D, Trade Regulation Rules, Part 436, "Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures".

---

VIRGINIA

AMENDMENTS RELATING TO STATUTORY AND REGULATORY PROVISIONS AND REQUIREMENTS OF THE STATE OF VIRGINIA AND APPLICABLE TO THE FRANCHISE DISCLOSURE DOCUMENT.

The following language shall be added to Item 17 of the Disclosure Document:

Any franchise may be declared void by the franchisee at his option by sending a written declaration of that fact and the reasons therefor to the franchisor by registered or certified mail if:

- (a) The franchisor's offer to grant a franchise was unlawful, as provided in §13.1-560 or §13.1-563 of the Virginia Code, provided that the franchisee send such written declaration within seventy-two hours after discovery thereof but not more than ninety days after execution of the franchise;

(b) The franchisee was not afforded the opportunity to negotiate with the franchisor on all provisions within the franchise, except that such negotiations shall not result in the impairment of the uniform image and quality standards of the franchise, provided that the franchisee send such written declaration within thirty days after execution of the franchise; or

(c) The franchisee was not furnished a copy of the franchise agreement and disclosure documents at least seventy-two hours prior to execution of the franchise, provided that the franchisee send such written declaration within thirty days after execution of the franchise.

If the seller fails to deliver the product, products, equipment or supplies necessary to begin substantial operation of the business within forty-five days of the delivery date stated in your contract, you may notify the seller in writing of your termination of the contract.

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

---

## **EXHIBIT F**

### **STATE ADDENDUMS TO MASTER FRANCHISE AGREEMENT**

#### **AMENDMENT TO THE MINT CONDITION MASTER FRANCHISE AGREEMENT AND UNIT FRANCHISE AGREEMENT REQUIRED BY THE STATE OF MARYLAND**

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., and of the Rules and Regulations promulgated thereunder, the parties to the attached Mint Condition Franchise Agreement (the “Franchise Agreement”) agree as follows:

1. The Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a franchisee’s assent to a release of liability under that Law as a condition for the sale, renewal, assignment or transfer of the franchise. To the extent of any inconsistencies with the Maryland Franchise Registration and Disclosure Law contained in Article 4 or Section 16.D.10 of the Franchise Agreement, such inconsistent provisions are hereby deleted.

2. To the extent of any inconsistencies, Section 17.A of the Franchise Agreement is hereby amended to further state:

“Our right to terminate you upon your bankruptcy, however, may not be enforceable under federal bankruptcy law (11 U.S.C. §101 *et. seq.*).”

3. To the extent of any inconsistencies, Section 20 of the Franchise Agreement is hereby amended to further state:

“Nothing herein shall waive your right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.”

4. To the extent of any inconsistencies, Section 20.6 of the Franchise Agreement is hereby amended to further state:

“Any claims arising under the Maryland Franchise Law must be brought within three (3) years after the grant of the franchise.”

5. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

6. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. § 14-201 et seq., are met independently without reference to this Amendment.

7. Exhibit B-1 of the Master Franchise Agreement, the “Individual Franchise Agreement Template” is hereby amended to state the following provisions:

- (i) All representations within the Unit Franchise Agreement requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release,

estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

- (ii) A franchisee may to 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.
- (iii) All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

8. Section 29 of the Master Franchise Agreement is hereby removed for all residents of Maryland or the those who intend to operate their franchised business within Maryland.

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

10. Section VI (A) 1 of the Master Franchise Agreement is revised to add the following language: Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by sub-franchisor shall be deferred until the franchisor completes its pre-opening obligations under the Master Franchise Agreement.

11. Section IV (A) and Attachment 1 of the Unit Franchise Agreement is revised to add the following language to each section: Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by sub-franchisor shall be deferred until the franchisor completes its pre-opening obligations under the Master Franchise Agreement.

The parties hereto have duly executed this Maryland Amendment to the Franchise Agreement on the same date as that on which the Franchise Agreement was executed.

FRANCHISOR:

MINT CONDITION FRANCHISE GROUP, LLC

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

\_\_\_\_\_  
John F. Saumby, President  
(Print Name, Title)

FRANCHISEE:

\_\_\_\_\_

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

\_\_\_\_\_  
(Print Name, Title)

PRINCIPAL:

\_\_\_\_\_

\_\_\_\_\_  
(Print Name)

PRINCIPAL:

\_\_\_\_\_

\_\_\_\_\_  
(Print Name)

## **MINNESOTA ADDENDUM TO MASTER FRANCHISE AGREEMENT**

The following language shall be added to Paragraph IV(B) entitled “Renewal”, Paragraph V(A) entitled “Business Premises”, VII(E)(1) entitled “Office”, and Paragraph XVI(D) entitled “Conditions for Consent to Transfer”:

The release referred to in this section shall not relieve any person from liability imposed by Minnesota statute 1973 supplement, § 80C.01 to 80C.22. However, the parties are free to enter into voluntary settlements of disputes.

The following language shall be added to Paragraph XVIII entitled “Termination by Franchisor”, and in instances where this language is in conflict with Paragraph XVIII, the language of the Addendum shall control:

Notwithstanding anything stated to the contrary, Minnesota law provides Franchisees with certain termination and non-renewal rights. Minn. Stat. Sec. 80C.14, Subd. 3, 4 and 5 require, except in certain specified cases, that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the Franchise Agreement. Where the provisions of the Minnesota Statute conflict with the provisions contained in the UC Franchise and trademark Agreement, Minnesota Law shall control.

The following language shall be included in Paragraph XIX(E) entitled “Governing Law”, and Paragraph XIX(I) entitled “Venue”:

Notwithstanding anything stated to the contrary, Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, and Franchisor is prohibited from requiring the Franchisee to waive his or her rights to a jury trial or to waive rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or to consent to liquidated damages, termination penalties, or judgment notes; provided that this part shall not bar an exclusive arbitration clause, pursuant to Minn. Rule 2860.4400J.

The following language shall be added to Paragraph XIX(A) entitled “Judicial Enforcement, Injunction and Specific Performance”:

We may seek to obtain at any time in any court of competent jurisdiction any declaratory or injunctive relief, including temporary restraining orders and preliminary injunctions, against conduct or threatened conduct for which no adequate remedy at law may be available or which may cause us irreparable harm.

**[signatures on the following page]**

MINT CONDITION FRANCHISE GROUP, LLC

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

ATTEST:

\_\_\_\_\_

FRANCHISEE: \_\_\_\_\_

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

AS INDIVIDUALS:

\_\_\_\_\_  
Franchisee

\_\_\_\_\_  
Franchisee

\_\_\_\_\_  
Franchisee

\_\_\_\_\_  
Franchisee

## EXHIBIT G

**\*NOT FOR USE IN CALIFORNIA\***

**\*DO NOT SIGN THE ACKNOWLEDGMENT STATEMENT IF YOU ARE A RESIDENT OF MARYLAND OR THE BUSINESS IS TO BE OPERATED IN MARYLAND.\***

### MINT CONDITION MASTER ACKNOWLEDGEMENT STATEMENT

Acknowledgement of the truthfulness of the statements below are an inducement for the Franchisor to enter into a Master Franchise Agreement. Notify Franchisor immediately, prior to acknowledgment, if any statement below is incomplete or incorrect.

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

1. Master Franchisee has conducted an independent investigation of all aspects relating to the financial, operational, and other aspects of the business of operating the Master Franchised Business. Master Franchisee further acknowledges that, except as may be set forth in Franchisor's Disclosure Document, no representations of performance (financial or otherwise) for the Franchised Business provided for in this Agreement has been made to Master Franchisee by Franchisor and Master Franchisee and any and all Principals hereby waive any claim against Franchisor for any business failure Master Franchisee may experience as a master franchisee under this Agreement.

\_\_\_\_\_  
Initial

2. Master Franchisee has conducted an independent investigation of the business contemplated by this Agreement and understands and acknowledges that the business contemplated by this Agreement involves business risks making the success of the venture largely dependent upon the business abilities and participation of Master Franchisee and its efforts as an independent business operation.

\_\_\_\_\_  
Initial

3. Master Franchisee agrees that no claims of success or failure have been made to it or him or her prior to signing the Master Franchise Agreement and that it/she/he understands all the terms and conditions of the Master Franchise Agreement. Master Franchisee further acknowledges that the Master Franchise Agreement contains all oral and written agreements, representations, and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.

\_\_\_\_\_  
Initial

4. Master Franchisee has no knowledge of any representations by Franchisor or its officers, directors, shareholders, employees, sales representatives, agents or servants, about the business contemplated by the Master Franchise Agreement that are contrary to the terms of the Master Franchise Agreement or the documents incorporated herein. Master Franchisee acknowledges that no representations or warranties are made or implied, except as specifically set forth in the Master Franchise Agreement. Master Franchisee represents, as an inducement to Franchisor's entry into this Agreement, that it has made no misrepresentations in obtaining the Master Franchise Agreement.

\_\_\_\_\_  
Initial

5. Franchisor expressly disclaims the making of, and Master Franchisee acknowledges that it has not received or relied upon, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by the Master Franchise Agreement.

\_\_\_\_\_  
Initial

6. Master Franchisee acknowledges that Franchisor's approval or acceptance of Master Franchisee's Business location does not constitute a warranty, recommendation, or endorsement of the location for the Franchised Business, nor any assurance by Franchisor that the operation of the Master Franchised Business at the premises will be successful or profitable.

\_\_\_\_\_  
Initial

7. Master Franchisee acknowledges that it has received the Mint Condition Franchise Group, LLC Franchise Disclosure Document with a complete copy of the Master Franchise Agreement and all related Attachments and agreements at least fourteen (14) calendar days prior to the date on which the Master Franchise Agreement was executed. Master Franchisee further acknowledges that Master Franchisee has read such Franchise Disclosure Document and understands its contents.

\_\_\_\_\_  
Initial

8. Master Franchisee acknowledges that it has had ample opportunity to consult with its own attorneys, accountants, and other advisors and that the attorneys for Franchisor have not advised or represented Master Franchisee with respect to the Master Franchise Agreement or the relationship thereby created.

\_\_\_\_\_  
Initial

9. Master Franchisee, together with Master Franchisee's advisers, has sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Franchise granted by the Master Franchise Agreement.

\_\_\_\_\_  
Initial

10. Master Franchisee is aware of the fact that other present or future master franchisees of Franchisor may operate under different forms of agreement(s), and consequently that Franchisor’s obligations and rights with respect to its various franchisees may differ materially in certain circumstances.

\_\_\_\_\_  
Initial

11. It is recognized by the parties that Franchisor is also (or may become) a manufacturer or distributor of certain products under the Marks licensed herein; and it is understood that Franchisor does not warrant that such products will not be sold within the Master Franchisee’s Territory by others who may have purchased such products from Franchisor.

\_\_\_\_\_  
Initial

12. BY EXECUTING THE MASTER FRANCHISE AGREEMENT, MASTER FRANCHISEE AND ANY PRINCIPAL, INDIVIDUALLY AND ON BEHALF OF MASTER FRANCHISEE’S AND SUCH PRINCIPAL’S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE MINT CONDITION OF CHARLOTTE, INC, MINT CONDITION FRANCHISE GROUP, LLC, MINT CONDITION PROPERTIES, LLC, MINT CONDITION HOLDINGS, LLC, AND ANY OF THE ABOVE’S PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AND THE FOREGOING ENTITIES’ DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THE MASTER FRANCHISE AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF. THIS RELEASE SHALL NOT APPLY TO ANY CLAIMS ARISING FROM REPRESENTATIONS MADE BY FRANCHISOR IN FRANCHISOR’S FRANCHISE DISCLOSURE DOCUMENT RECEIVED BY MASTER FRANCHISEE.

\_\_\_\_\_  
Initial

FRANCHISEE:  
  
\_\_\_\_\_  
  
By: \_\_\_\_\_  
  
\_\_\_\_\_,  
(Print Name, Title)  
  
Date: \_\_\_\_\_

PRINCIPAL:  
  
\_\_\_\_\_  
  
\_\_\_\_\_  
(Print Name)  
  
Date: \_\_\_\_\_

PRINCIPAL:  
  
\_\_\_\_\_  
  
\_\_\_\_\_  
(Print Name)  
  
Date: \_\_\_\_\_

## EXHIBIT H

### State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

<b>State</b>	<b>Effective Date</b>
Indiana	<i>PENDING</i>
Maryland	<i>PENDING</i>
Michigan	<i>PENDING</i>
Minnesota	<i>PENDING</i>
Virginia	<i>PENDING</i>
Wisconsin	<i>PENDING</i>

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

**EXHIBIT I**  
**RECEIPT (Our Copy)**

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

If Mint Condition Franchise Group, LLC., offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the Franchisor or an affiliate in connection with the proposed franchise sale.

New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.,

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

The name and principal business address and telephone number of each franchise seller offering the franchise is:

Jack Saumby 1057 Red Ventures Drive, Suite 165 Fort Mill, SC 29707] (804) 548-6121	Randy Abernathy 1057 Red Ventures Drive Suite 165 Fort Mill, SC 29707 (803) 548-6121
--	--

Issuance date: **March 31, 2025**

I have received this disclosure document dated \_\_\_\_\_, that included the following Exhibits:

EXHIBIT A: List of State Franchise Administrators and Agents for Service of Process  
EXHIBIT B: Master Franchise Agreement with Attachments  
EXHIBIT B-1: Individual Franchise Agreement Template with Attachments  
EXHIBIT C: Financial Statements  
EXHIBIT D: List of Master Franchisees  
EXHIBIT E: Operations Manual Table of Contents  
EXHIBIT F: State Addenda  
EXHIBIT G: Mint Condition Master Acknowledgment Statement  
EXHIBIT H: Receipt

**Date Received:** \_\_\_\_\_  
**(If other than date signed)**

**DATE:** \_\_\_\_\_

**Print Name:** \_\_\_\_\_

**Print Address:** \_\_\_\_\_

**City, State:** \_\_\_\_\_

\_\_\_\_\_  
(Signature of recipient)

**Please return signed receipt to Mint Condition Franchise Group, LLC, at 1057 Red Ventures Drive, Suite 165, Fort Mill, South Carolina 29707, or by faxing a signed copy to (803) 548-4578.**

## EXHIBIT I

### RECEIPT (Your Copy)

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

If Mint Condition Franchise Group, LLC., offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the Franchisor or an affiliate in connection with the proposed franchise sale.

New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.,

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

The name and principal business address and telephone number of each franchise seller offering the franchise is:

Jack Saumby 1057 Red Ventures Drive, Suite 165 Fort Mill, SC 29707] (804) 548-6121	Randy Abernathy 1057 Red Ventures Drive Suite 165 Fort Mill, SC 29707 (803) 548-6121
--	--

Issuance date: **March 31, 2025**

I have received this disclosure document dated \_\_\_\_\_, that included the following Exhibits:

EXHIBIT A: List of State Franchise Administrators and Agents for Service of Process  
EXHIBIT B: Master Franchise Agreement with Attachments  
EXHIBIT B-1: Individual Franchise Agreement Template with Attachments  
EXHIBIT C: Financial Statements  
EXHIBIT D: List of Master Franchisees  
EXHIBIT E: Operations Manual Table of Contents  
EXHIBIT F: State Addenda  
EXHIBIT G: Mint Condition Master Acknowledgment Statement  
EXHIBIT H: Receipt

**Date Received:** \_\_\_\_\_  
(If other than date signed)

**DATE:** \_\_\_\_\_

**Print Name:** \_\_\_\_\_

**Print Address:** \_\_\_\_\_

**City, State:** \_\_\_\_\_

\_\_\_\_\_  
(Signature of recipient)

**Keep for your records.**