

## FRANCHISE DISCLOSURE DOCUMENT



Agile Pursuits Franchising, Inc.  
an Ohio corporation  
2 Procter & Gamble Plaza, TE-16  
Cincinnati, Ohio 45202  
(513) 622-2474  
[TCL\\_Franchising@groups.pg.com](mailto:TCL_Franchising@groups.pg.com)  
<http://www.tidelaundromat.com>

The franchise offered is to operate a unique retail laundering business under the “Tide Laundromat” name and other trademarks offering laundering, and related services and products (each a “Tide Laundromat Business”).

The total investment necessary to begin operation of a Tide Laundromat Business is \$1,731,885 to \$2,~~231,669~~237,682. This includes \$213,018 to \$240,029 that must be paid to the franchisor or its affiliates. If you sign a Tide Laundromat Development Rights Agreement (“Development Rights Agreement”) to develop multiple Tide Laundromat Businesses, you must pay us a Development Fee in the amount of \$10,000 for each Tide Laundromat Business you commit to develop. If you sign a Development Rights Agreement, we currently require you to develop at least three Tide Laundromat Businesses.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Emily Schneider at 2 Procter & Gamble Plaza, TE-16, Cincinnati, Ohio 45202 or 513-622-2474.

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, and any related or ancillary documents, 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 may help you understand how to use this disclosure document, is available from the Federal Trade Commission (“FTC”). 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.

Issuance date: October ~~27, 2023, as amended April~~24, 2024

## How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
<b>How much can I earn?</b>	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit H.
<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 I 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 Tide Laundromat business in my area?</b>	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What's it like to be a Tide Laundromat franchisee?</b>	Item 20 or Exhibit H lists 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 if you are losing money.

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

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

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

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

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

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

### Some States Require Registration

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

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

## Special Risks to Consider About *This* Franchise

Certain states require that the following risk be highlighted:

**Out-of-State Dispute Resolution.** The Franchise Agreement requires you to resolve disputes with the franchisor by arbitration or litigation only in the franchisor's home state (currently Ohio). Out-of-state arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in its home state than in your own state.

**Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

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

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

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

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B. Confidential Disclosure Agreement	I. Financial Statements
C. Development Rights Agreement	J. Veterans Incentive Program Addendum
D. Franchise Agreement	K. Franchisee Disclosure Questionnaire
E. Lease Rider	L. State Specific Addenda
F. PGP Service Agreement	M. General Release
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## EXHIBITS

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## ITEM 1

### THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

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

We were incorporated in Ohio in December 2008. We maintain our principal business address at 2 Procter & Gamble Plaza, TE-16, Cincinnati, Ohio 45202. We began offering franchises for Tide Laundromat Businesses in October 2022. Neither we nor our affiliates operate any Tide Laundromat Businesses. As of June 30, ~~2023~~2024, there were ~~two~~three franchised Tide Laundromat Businesses ~~and no company-owned Tide Laundromat Businesses~~in operation. If we have an agent for service of process in your state, that agent is disclosed in Exhibit A-2. We conduct business under our corporate name, the “Tide Laundromat” mark, and the “Tide Cleaners” mark. We conduct business under no other names.

#### **Franchise Rights and Development Rights for Tide Laundromat Businesses**

When you apply to become a Tide Laundromat franchisee, you will sign a Confidential Disclosure Agreement (Exhibit B) with us to protect the confidentiality of the information you will receive while you are evaluating the franchise opportunity. If we approve your application to become a Tide Laundromat franchisee, then you will sign a Tide Laundromat Franchise Agreement (“Franchise Agreement”) as well as a Tide Laundromat Development Rights Agreement (“Development Rights Agreement”), as explained below.

We grant franchises and development rights for Tide Laundromat Businesses, which are retail laundry businesses that are identified by the Marks (defined below) and which currently provide premium laundering and related services and products. In this disclosure document, we call the Tide Laundromat Business that you will operate under the Franchise Agreement the “Franchised Business.” We typically offer franchises for Tide Laundromat Businesses for new construction laundromat businesses. (For purposes of this disclosure document, a “new construction” laundromat business means a business having a physical premises located and developed at: (1) a vacant land parcel for new development; (2) a substantially empty building or commercial leasehold space that does not include a pre-existing laundromat business or related equipment; or (3) proposed conversions and/or remodels of pre-existing premises as potential sites for Tide Laundromat Businesses at our sole option.)

We own and license, or are authorized to use and license, the Marks and related brand names and devices for use with Tide Laundromat Businesses. Tide Laundromat Businesses operate under the trademarks, service marks, and other commercial symbols that we periodically designate including the “Tide Laundromat” brand name and derivative trademarks as we periodically modify them (the “Marks”). Tide Laundromat Businesses offer and use products and services, including Proprietary Products and Proprietary Processes (each defined below), that we, our affiliates, or designated third parties authorize and periodically specify for use in operating Tide Laundromat Businesses. Tide Laundromat Businesses operate under our mandatory and suggested business formats, methods, designs, layouts, specifications, standards, operating procedures, and rules that we periodically designate for operating Tide Laundromat Businesses, as we periodically modify them (“System Standards”).

We also offer multi-unit development rights to qualified franchisees who then will have the right to develop an approved number of Tide Laundromat Businesses within a defined geographic area (the “Development Area”) according to a mandatory development schedule (the “DRA Schedule”).



All franchisees will sign our form of Development Rights Agreement (Exhibit C). You or your Controlled Affiliates (defined in Item 15) will sign our then-current form of Franchise Agreement (Exhibit D) to operate each Tide Laundromat Business you (or they) develop under that Development Rights Agreement, which might differ from the form of Franchise Agreement attached to this disclosure document. The total number of Tide Laundromat Businesses you will agree to develop under the Development Rights Agreement will vary based on the circumstances; however, we currently require you to develop at least three Tide Laundromat Businesses in your Development Area under the Development Rights Agreement. The conversion of any business to a Tide Laundromat Business will not qualify as the development of a new Tide Laundromat Business under the Development Rights Agreement.

“Proprietary Products” means the proprietary detergents, solvents, formulas, equipment, devices, and related products that we, our affiliates, and/or designated third parties own, have developed, or may develop and authorize for use or sale at Tide Laundromat Businesses.

“Proprietary Processes” means the proprietary know-how, techniques, procedures, cleaning methods, technologies, and related processes that we, our affiliates and/or designated third parties own, have used, or may use to develop the products and services (including the Proprietary Products) that Tide Laundromat Businesses offer and that we, our affiliates and/or designated third parties authorize for use in Tide Laundromat Businesses.

### **Our Parent, Predecessors and Affiliates**

Our parent company is The Procter & Gamble Company (“P&G”). P&G is an Ohio corporation, incorporated in May 1905 that shares our principal business address. [P&G owns the Marks and certain patents associated with the System.](#)

~~Our affiliate, Agile Pursuits, Inc. (“Agile”), was incorporated in Ohio in September 2006 and shares our principal business address. Agile operates businesses that offer business to business and/or business to consumer lockers and other garment collection devices and businesses that offer pick up and delivery laundry and dry cleaning services under the Tide marks (together, these are referred to as “Affiliate Owned Cleaning Businesses”). These Affiliate Owned Cleaning Businesses operate in various markets and may appear to (or actually) compete with you for certain customers.~~

Our affiliate, The Procter and Gamble Distributing LLC (“PGP”), was incorporated in Delaware on September 28, 2006 and ~~share~~[shares](#) our principal business address. PGP supplies chemical dispensing systems to Tide Laundromat Businesses for use with laundry machines and chemical dispensing for general facility cleaning. PGP also provides installation and maintenance services for these systems.

We have no other parents, predecessors or affiliates that we are required to disclose in this Item. We currently have no affiliates that offer franchises in any line of business.

### **Our Business and Franchising Experience**

We began offering franchises for retail dry cleaning business under the trade name “Tide Dry Cleaners” in October 2009 using a separate disclosure document. We are in the process of converting the name of these businesses from “Tide Dry Cleaners” to “Tide Cleaners”. ~~We do not~~[Neither we nor our affiliates](#) operate any Tide Cleaners outlets. ~~Our affiliate, Agile, operates our company-owned Tide Cleaners outlets.~~ As of June 30, ~~2023~~[2024](#), there were ~~232~~[246](#) franchised Tide Cleaners ~~outlets~~[Outlets](#) and ~~10 company-owned Tide Cleaners outlets~~[9 franchised Non-Traditional Outlets](#) in operation.

Except as we describe above, neither we nor our affiliates have offered franchises in any other line of business [that must be disclosed in this FDD](#).

### **Competition and Industry-Specific Regulations**

Your Franchised Business will provide laundering services, Proprietary Products, and related services and products to the general public. Your Franchised Business will compete with laundromats and businesses offering laundry services and/or garment or fabric care products and services, whether franchised or non-franchised, and whether local, regional, or national. The market for laundromats and retail laundry services is well developed and established, particularly in urban areas, but we believe that Tide Laundromat Businesses will appeal to consumers because of our widely recognized “Tide” brand name and other Marks that represent our product and service quality. You will compete with other independently-owned, franchised and chain laundromats (~~including Tide Laundromat Businesses that we or our affiliates may operate~~) and dry cleaning businesses (including Tide Cleaners outlets) that offer wash and fold laundry services, and home laundry facilities.

We are not aware of any laws applicable to a Tide Laundromat Business that would not apply to laundromat businesses generally. You will be required to comply with all federal, state and local laws and regulations that generally apply to all businesses. You should investigate these laws.

## **ITEM 2**

### **BUSINESS EXPERIENCE**

#### **Employees of Procter and Gamble**

President and Chief Executive Officer, Tide Services: Andrew (“Andy”) Gibson

Andy Gibson has been P&G’s [and APFI’s](#) President and Chief Executive Officer of Tide Services since July 2022 having previously served as P&G’s [and APFI’s](#) President of Tide Cleaners from January 2020 to June 2022. Mr. Gibson held other Tide Cleaners leadership positions from 2012 to 2020, including Vice President of Operations, I.T. and Marketing, Vice President of Operations, and Director of Marketing. Mr. Gibson held various roles in Brand Management with P&G from 2005 to 2012. [All positions have been held in Cincinnati, Ohio.](#)

[Finance Leader](#)/Chief Financial Officer, Tide Services: ~~Jessica Mueller (Maertz)~~ [Stephen Philips](#)

~~Jessica Mueller (Martz)~~ [Stephen Philips](#) has been P&G’s [Finance Leader](#)/Chief Financial Officer of Tide Services since ~~May 2023~~. ~~Ms. Mueller~~ [August 2024](#). ~~Mr. Philips~~ served as ~~Product Supply Finance Leader~~, [P&G’s Director Corporate Purchases F&A from August 2023 to August 2024](#), as [Finance Director North America Baby Fabric Care Design from September 2021 August 2020 to May April 2023](#). ~~From, and Director Corporate Forecast from January 2018 through August 2021, Ms. Mueller served as North America Commercial Finance Leader, North America Baby Care.~~ [to August 2020. All positions have been held in Cincinnati, Ohio.](#)

Chief People Officer, Tide Services: Jodi Hammock

Jodi Hammock has served as P&G’s Chief People Officer of Tide Services since July 2023. Ms. Hammock served as P&G’s Vice President of Talent and Customer Growth from November 2013 to July 2023. [All positions have been held in Cincinnati, Ohio.](#)

Managing Director ~~of Operations~~, Tide Services:

~~Keri Morlock~~ Kyle Brogan

~~Keri Morlock~~ Kyle Brogan has served as P&G's Managing Director of ~~Operations since March 2024~~. ~~Ms. Morlock served as P&G's Vice President of Finance of Tide Services from October 2023 to March 2024. Ms. Morlock~~ since August 2023. Mr. Brogan served as P&G's Senior ~~Director of Finance of Tide Services~~ Manager, Data Science and Analytics from ~~July 2022~~ April 2020 to ~~October~~ August 2023. ~~Ms. Morlock served as P&G's Senior Director of Finance of Tide Cleaners from August 2020 to June 2022. Ms. Morlock has held various positions with P&G beginning in June 1997. From June~~ Manager, Engineering Innovation from October 2016 to July April 2020, ~~Ms. Morlock served as Finance Director for the P&G NA Personal Care business and Senior Manager, Liquid Process Engineering from January 2023 to October 2016, Liquids Process Engineer from November 2014~~ 2010 to January 2013 and as Site Cost Engineer from October 2008 to May 2016. Ms. Morlock served as the Global Home Care Product Supply Finance Leader, January 2011. All positions have been held in Cincinnati, Ohio.

Senior Director of Franchise Technology & IT Operations, Tide Services:

Scott Egan

Scott Egan has served as P&G's Senior Director of Franchise Technology & IT Operations of Tide Services since July 2023. Mr. Egan served as Senior Director of Technology Projects from January 2022 through June 2023 ~~in Cincinnati, Ohio.~~ From June 2016 through June 2021 Mr. Egan served as Chief Information Officer of Schaeffer's Investment Research, Inc. in Cincinnati, Ohio.

Member, Board of Directors of APFI:

Andre Schulten

Andre Schulten has been a Member of our Board of Directors since December 2020. He has served as Chief Financial Officer of P&G since December 2020. From April 2018 to December 2020, Mr. Schulten served as Senior Vice President, Baby Care, and from July 2014 to April 2018, Mr. Schulten served as Senior Vice President, Finance & Accounting, Global Baby Care, Feminine Care, and Family Care. All positions have been held in Cincinnati, Ohio.

### **Employees of Agile Pursuits Franchising, Inc.**

Senior Vice President, Head of Franchising & Development:

Lawrence Brown

Lawrence Brown has been our Senior Vice President, Head of Franchising & Development since ~~August~~ July 2023 ~~in Miami, Florida.~~ From May 2023 to July 2023, Mr. Brown served as a Consultant for Rita's Italian Ice, LLC in Treve, Pennsylvania. From June 2021 to April 2023, Mr. Brown served as Chief Development Officer for 190 Retail Holdings LLC in Miami, Florida. From January 2019 to May 2021, Mr. Brown served as Vice President and Head of Business Development, Americas for Burger King Corporation in Miami, Florida. From January 2018 to December 2018, Mr. Brown served as General Manager, Burger King South America for Burger King Corporation in Miami, Florida.

~~Managing~~

~~Senior Director, Head of Operations:~~ Laura

~~Wright~~ Product:

Michael Trozzo

~~Laura Wright~~ Michael Trozzo has been our ~~Managing Senior Director, Head of Operations~~ Product since ~~March 2024~~ September 2021. From ~~February 2023~~ January 2019 to ~~March 2024~~, ~~Ms. Wright~~ September 2021, he served as our ~~Director of Marketing. From July 2020 to February 2023, Ms. Wright served as our Associate Director of Marketing. From July 2018 to July 2020, Ms. Wright served as our Brand, Product Manager. From July 2016 to July 2018, she served as Brand / Design Manager for Champion Opeo, LLC in Cincinnati, Ohio.~~

Managing Director of Operations: Linda Cartwright

~~Linda Cartwright has~~ Dallas, Texas. All positions have been ~~our Managing Director of Operations~~ since March 2024. ~~From December 2008 to March 2024, Ms. Cartwright served as our Franchise Business Director~~ in Dallas, Texas.

Director of Franchise Development: Emily Schneider

Emily Schneider has been our Director of Franchise Development since July 2023. From December 2021 to July 2023 she served as our Associate Director of Operations. From May 2019 to December 2021, she served as our Associate Director of Sales. ~~From March 2017 to May 2019, she was Director of Strategic Partnerships for Thirty Capital~~ All positions have been held in Charlotte, North Carolina.

Brand & Digital Marketing Director: Macayla Porter

Macayla Porter has been our Brand & Digital Marketing Director since ~~January 2021. From August 2016 to November 2020,~~ April 2023. Ms. Porter served as our Marketing Director, Lead Generation and Relationship from January 2022 to April 2023, as our Digital Marketing Director from September 2021 to January 2022, and as our Digital Marketing Associate Director from January 2021 to September 2021. She served as Totes Brand Director from March 2020 to December 2020 and Brand Director, Innovation & New Business from May 2019 to March 2020 for Totes Isotoner ~~Corporation~~ in Cincinnati, Ohio.

Associate Director, Training and Development: Claire Gerdson

Claire Gerdson has been our Associate Director, Training and Development since December 2021. From April 2018 to December 2021 she was Director, Training and Quality for EVERSANA Life Science Services LLC in Cincinnati, Ohio.

### ITEM 3

#### LITIGATION

No litigation is required to be disclosed in this Item.

### ITEM 4

#### BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

### ITEM 5

#### INITIAL FEES

#### Development Rights Agreement

##### Development Rights Fee

You must pay us a Development Rights Fee when you sign the Development Rights Agreement. The Development Rights Fee is \$10,000 for each Tide Laundromat Business that you agree to develop under the DRA Schedule. The total number of Tide Laundromat Businesses you will agree to develop under

the Development Rights Agreement will vary based on the circumstances; however, we currently require you to develop at least three Tide Laundromat Businesses in your Development Area under the Development Rights Agreement. The Development Rights Fee is fully earned by us when paid, is not applied against any fees due under the Franchise Agreement, and is not refundable.

## **Franchise Agreement**

### **Initial Franchise Fee**

When you sign a Franchise Agreement for the first Tide Laundromat Business that you develop (“First Business”), you will pay an Initial Franchise Fee in the amount of \$50,000. When you sign the Franchise Agreement for a subsequent Tide Laundromat Business that you develop (“Subsequent Business”), you will pay an Initial Franchise Fee in the amount of \$30,000. The Initial Franchise Fee is payable in two equal installments of 50% of the Initial Franchise Fee. The first installment is due when you sign the Franchise Agreement and the second installment is due on the opening date of your Franchised Business.

The Initial Franchise Fee is paid for our costs of evaluating your credentials as a prospective franchisee and otherwise assisting you in the application process to acquire your franchise; upfront costs associated with certain support and assistance in the location and development of the Franchised Business, including site selection, lease negotiations, real estate committee review, site tours, design and layout, construction and project management, equipment and supplier support; and certain support and assistance in the start-up and opening of the Franchised Business (including training if the Franchised Business is your First Business), vendor support, technology setup, and other support; and the license to use the System and the Marks during the term of the Franchise Agreement. The Initial Franchise Fee is fully earned by us when paid and is not refundable.

### **Plan Review Fee**

If we approve and authorize you to use an architect that is not one of our pre-approved vendors, you must pay us a plan review fee in the amount of \$4,000 to review your construction plans and specifications.

### **Sign Layout Review Fee**

If we approve and authorize you to use a sign vendor that is not one of our pre-approved vendors, you must pay us a sign layout review fee in the amount of \$500 to review your sign layout and artwork.

### **Initial Training Charge**

For your First Business, we will provide an initial training program for two of your designated attendees including your Managing Owner (defined in Item 15). If you want to send additional individuals to attend the initial training program and if we have space available, we will accommodate your request; however, you will be required to pay our then-current training charge, which is currently \$2,500 for each additional attendee. We do not refund any portion of the training charge if we expel an attendee from the initial training program for any reason.

### **Additional Training Fee**

If you or your designated attendees do not feel sufficiently trained in the operation of the First Business after you complete the initial training program, or if we, in our sole judgment, believe that you

are not sufficiently trained in the operation of the First Business, then we may provide additional training at the First Business at our then-applicable charges for our training personnel (collectively, the “Additional Training Fee”). You also may request additional training at any Subsequent Business that you develop, in which event you will be required to pay the Additional Training Fee. We will determine the duration of this additional training in consultation with you. The Additional Training Fee is currently \$500 per day for each trainer, plus all of our personnel’s related expenses (including travel), but could increase if our costs increase. The Additional Training Fee is due when the additional training program begins and is non-refundable.

### **Equipment and Installation**

Prior to opening you must purchase chemical dispensing systems to dose into individual laundry machines from our affiliate, PGP, at an estimated cost of \$144,018 to \$171,029 depending on the number of laundry machines that you have. You also must sign a Service Agreement with PGP, a copy of which is attached as Exhibit F, and pay the first annual service fee in the amount of \$4,500 to have PGP provide equipment installation and maintenance services to support the chemical dispensing programs that you use.

### **Extension Fee**

We may grant you, in our reasonable business judgment, extensions on the contractual deadlines relating to the opening of the Franchised Business. If you want to request an extension of the applicable deadline, you must do so at least 30 calendar days before the deadline date. If we grant an extension on any deadline, we will have the right to determine the amount of the extension fee and the length of the extension (and we may consider a variety of factors, including the diligence you have shown in developing the location). However, extensions do not change any date included in any DRA Schedule to an associated Development Rights Agreement. You must pay us our then current lump-sum extension fee for each extension at the time of your extension request to compensate us for our costs, expenses and lost opportunities related to the proposed extension. Currently, the extension fee is \$1,500 for each one-month extension. We will deem your extension request granted and the extension fee fully earned and non-refundable by us unless we notify you otherwise on or before the prescribed deadline date. We assume for purposes of this Item 5 (and for the minimum investment amount in Item 7 below) that you will not require any extensions on the opening timeline for the Franchised Business.

### **Veterans Incentive Program for New Franchisees**

We offer veterans a discount of ~~25~~50% off of the Initial Franchise Fee for new franchisees for their first Tide Laundromat business. In order to qualify for the discount, you must not currently operate any Tide Laundromat businesses, you must provide us with a DD Form 214 or other adequate documentation demonstrating that one of your owners who holds at least a 51% ownership interest in your franchisee entity was honorably discharged from the United States military, and you must sign a Franchise Agreement to develop and operate a new Tide Laundromat business and a Veterans Incentive Program Addendum to the Franchise Agreement, a copy of which is attached as Exhibit J-1. If, prior to the first anniversary of the opening date of the Franchised Business, (1) you engage in a transfer under the Franchise Agreement, or (2) we terminate the Franchise Agreement, you must pay us the portion of the Initial Franchise Fee that we discounted for you under this program.

### **Women-Owned Incentive Program For New Franchisees**

We offer women-owned businesses a discount of 50% off of the Initial Franchise Fee for new franchisees for their first Tide Laundromat Business. In order to qualify for the discount, you must not currently operate any Tide Laundromat Businesses, you must provide us with adequate documentation



demonstrating that women own at least 51% of the ownership interests in your franchisee entity, and you must sign a Franchise Agreement to develop and operate a new Tide Laundromat Business and a Women-Owned Business Incentive Program Addendum to the Franchise Agreement, a copy of which is attached as Exhibit J-2. If, prior to the first anniversary of the opening date of your Tide Laundromat business, (1) you engage in a transfer under the Franchise Agreement, or (2) we terminate the Franchise Agreement, you must pay us the portion of the Initial Franchise Fee that we discounted for you under this program.

You may only apply for one incentive program for each Franchised Business that you develop.

\* \* \* \* \*

Unless otherwise specified above, all fees referenced in this Item 5 are non-refundable. These fees are typically uniform for all new franchisees in the System; however, in certain circumstances, we may reduce or waive a fee. In our last fiscal year, we did not waive or reduce the Initial Franchise Fee for any franchisees.

## ITEM 6

### OTHER FEES

Type of Fee (Note 1)	Amount	Due Date (Note 2)	Remarks
Continuing Service and Royalty (“ <u>Royalty</u> ”)	6.5% of the weekly Net Sales of your Franchised Business	Due on or before Thursday of each week on Net Sales during previous week ended	See Note 3 for a definition of “ <u>Net Sales</u> .”
Brand Development Fund Contribution (“ <u>Fund Contribution</u> ”)	Currently 2% of the weekly Net Sales of your Franchised Business	Due on or before Thursday of each week on Net Sales during previous week ended	We have the right to increase the amount of the Fund Contribution <del>up to 4% of Net Sales</del> . Item 11 discusses the Brand Development Fund.
Local Advertising Expenditures	1% of the weekly Net Sales of your Franchised Business	Due on or before Thursday of each week on Net Sales during previous week ended	You must spend 1% of the weekly Net Sales of the Franchised Business for local advertising for the Franchised Business. On 30 days’ notice, we may require you to pay all or a portion of this amount to us and we will use the funds to advertise and promote the Franchised Business.

Type of Fee (Note 1)	Amount	Due Date (Note 2)	Remarks
Technology Support Fee	Currently <del>2% of the weekly Net Sales of your Franchised Business</del> <u>\$750 monthly</u>	<del>Due on or before Thursday of each week on Net Sales during previous week ended</del> <u>Monthl y</u>	<del>The</del> <u>We may use the</u> Technology Support Fee <del>is used</del> to provide technical support, digital menu board support, store hardware support, reporting, website management, <u>our extranet or similar application</u> , and general funds for technology innovations and other technological advances. We may increase the Technology Support Fee <del>up to</del> <u>2% of Net Sales.</u>
Additional Training Fee	Currently, \$500 per day per trainer, plus all our personnel's related expenses (including travel)	When training or assistance begins or as incurred	See Items 5 and 11.
Initial Training Charge	Currently \$2,500 for each additional person you send to our initial training program	When training or assistance begins or as incurred	See Items 5 and 11.
PGP Service Fee	\$4,500 per year	Annually	You must sign PGP's Service Agreement (Exhibit F) and PGP will provide maintenance service and support for the chemical dispensing programs that you use.
Audit	Costs of inspection or audit	15 days after receiving our invoice	Due if you do not provide reports, supporting records, or other required information or if you understate required Royalties or Fund Contributions by more than 2%.
Costs and Attorneys' Fees (Note 4)	Our actual costs and expenses	As incurred	Due when you do not comply with the Franchise Agreement.
Franchisee Convention Fee	Currently up to \$500 per attendee (but could increase if our costs increase)	Before the start of the annual and/or regional conventions	You must send one representative (which can be your Managing Owner) to attend annual and/or regional conventions no more than three days during any calendar year.
Indemnification (Note 4)	Our actual losses, costs and expenses	As incurred	You must reimburse us if we are held liable for claims from your Franchised Business' operation or if you breach the Franchise Agreement.



<b>Type of Fee</b> (Note 1)	<b>Amount</b>	<b>Due Date</b> (Note 2)	<b>Remarks</b>
Insufficient Funds Processing Fee	\$100	As incurred	Due if you have insufficient funds in your Account (defined below) to cover a payment, or if a check is returned for insufficient funds.
Insurance	Out-of-pocket cost reimbursement, plus \$500	15 days after billing	You must reimburse us if we obtain insurance for you because you fail to obtain or maintain required coverage. The \$500 fee is our current fee for our time incurred in obtaining such insurance. This fee may increase if our costs increase.
Interest	1.5% per month	15 days after billing	Due on all overdue amounts. Interest rate will not exceed the highest applicable commercial contract interest rate.
Maintenance and Refurbishing of Franchised Business	You must reimburse our expenses (not to exceed \$1 million)	15 days after billing	After we notify you, if you do not undertake efforts to correct deficiencies in the appearance of the Franchised Business, then we can undertake the repairs and you must reimburse our expenses.
Management Fee	\$500 per person, per day (plus costs and expenses)	As incurred	Due when we (or a third party) manage the Franchised Business after your Managing Owner's death or disability or after your default or abandonment. Our assumption of management responsibilities for the Franchised Business is limited to 90-day periods renewable for a maximum total of one year from the time we assume management.
Relocation Fee	\$10,000	At signing of new Franchise Agreement	Due if you request and receive our approval to relocate the Franchised Business to a site acceptable to us.
Renewal Fee	50% of our then-current Initial Franchise Fee	Upon signing renewal franchise agreement	Due if you satisfy all the conditions relating to renewal.
Tide Laundromat Points of Differentiation (POD) Follow-up Assessment	Costs of follow-up assessment	15 days after receiving our invoice	Due if the Franchised Business fails an initial assessment and we perform a follow-up assessment to confirm that you have corrected the deficiency.

Type of Fee (Note 1)	Amount	Due Date (Note 2)	Remarks
Testing	Cost of testing (amount of which depends on circumstances, including supplier's location, testing required, and item involved)	When billed	This covers the costs of testing new products or inspecting new suppliers you propose.
Transfer	50% of our then-current Initial Franchise Fee	Before transfer completed	No charge if you transfer the Franchise Agreement to an entity you control upon signing transfer documentation acceptable to us.
Early Termination Damages	Amount of the average weekly Royalties <del>and Fund Contributions</del> that you owed for the one year period prior to termination, multiplied by the lesser of 104 weeks or the number of weeks remaining in the term of the Franchise Agreement	Within 30 days following the termination	Payable if you default on your obligations and we terminate the Franchise Agreement prior to the expiration of the term of the Franchise Agreement.

Notes to Item 6 table:

1. All fees are uniformly imposed and collected by and payable to us. All fees are non-refundable. In some instances, we may waive some or all of these fees for particular franchisees.
2. Before your Franchised Business opens, you must sign and deliver to us the documents we require authorizing us to automatically debit your business checking account (the "Account") for the Royalties, Fund Contributions, and other amounts due under the Franchise Agreement and for your purchases from us and/or our affiliates. We will debit the Account for these amounts on or after their due dates. Funds must be available in the Account for withdrawal. We may require payment other than by automatic debit, and you must comply with our payment instructions.

If you do not report the Net Sales of the Franchised Business, we may debit your Account for 120% of the amounts of the immediately previous Royalty and Fund Contribution that we debited. If the amounts we debit are less than the amounts you actually owe us, we will debit your Account for the balance on the date we specify. If the amounts we debit are greater than the amounts you actually owe us, we will credit the excess against the amounts that we otherwise would debit from your Account during the following week(s).

3. “Net Sales” means all revenue from all sales made from your point-of-sale system and all other revenue that you derive from operating the Franchised Business, including all amounts that you receive at or away from the premises, and whether from cash, check, credit and debit card, barter exchange, trade credit, or other credit transactions, but (1) excluding all federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority; and (2) reduced by the amount of any documented refunds, credits, coupons, manager-authorized and/or customer loyalty program discounts, allowances, and charge-backs the Franchised Business in good faith gives to customers.
4. These fees also apply under the Development Rights Agreement.

## ITEM 7

### ESTIMATED INITIAL INVESTMENT

**TABLE 7-A:  
YOUR ESTIMATED INITIAL INVESTMENT  
FRANCHISE AGREEMENT**

	Type of Expenditure	Amount (Low)	Amount (High)	Method of Payment	When Due	To Whom Payment is to be Made
1.	Furnishings, Fixtures, Equipment and Installation	\$972,296	\$1,371,242	As arranged	As incurred	Designated Suppliers and PGP
2.	Signage (Interior & Exterior)	\$30,207	\$43,526	As arranged	As incurred	Designated Suppliers
3.	POS and Related IT System	\$12,000	\$22,400	As arranged	As incurred	Designated Suppliers
4.	Leasehold Improvements	\$533,000	\$540,500	As arranged	As incurred	Suppliers
	<b>Total Capital Expenditures</b>	<b>\$1,547,503</b>	<b>\$1,977,668</b>			
5.	Development Rights Fee	\$10,000	\$10,000	Lump sum	When you sign DRA	Us
5.	Initial Franchise Fee	\$50,000	\$50,000	Two Installments	50% at signing of FA; 50% at opening	Us
5.	New Store Marketing Expense	\$15,000	\$15,000	As arranged	As incurred	Suppliers
6.	Initial Training Travel Related Expenses) (First Business)	\$6,350	\$8,750	As arranged	As incurred	Suppliers
7.	Cleaning Agents	\$13,917	\$18,015	As arranged	As incurred	Designated Suppliers
8.	Pre-Opening Wages	\$8,208	<del>\$11,292</del> <u>\$12,000</u>	As arranged	As incurred	Employees

	Type of Expenditure	Amount (Low)	Amount (High)	Method of Payment	When Due	To Whom Payment is to be Made
9.	Start-up Supplies	\$5,607	\$6,944	As arranged	As incurred	Designated Suppliers
10.	Insurance and Other Business Set Up Costs	\$2,300	\$6,000	As arranged	As incurred	Insurance brokers or companies, Gov't agencies, utility companies, attorney
11.	3 Months' Occupancy Cost	\$0	<del>\$33,000</del> 38,305	As arranged	As incurred	Landlord
12.	Additional Funds	\$73,000	\$95,000	As arranged	As incurred	Employees and Suppliers
	<b>Total Other Expenditures</b>	\$184,382	<del>\$254,001</del> 260,014			
13.	<b>Total Estimated Initial Investment</b>	<b>\$1,731,885</b>	<b>\$2,231,669</b> <u>37,682</u>			

**Explanatory Notes to Estimated Initial Investment For  
Franchise Agreement (Table 7-A)**

1. Furnishings, Fixtures, Equipment and Installation. These amounts include the laundry machines and chemical dispensing systems that supply detergent and chemicals to processing equipment and related items that you must purchase from suppliers we designate (which may include PGP, us or our affiliates). We anticipate that your purchase of laundry equipment will require a deposit that approximates 50% of the final equipment price. The remaining balance is typically due to the supplier upon delivery to the Franchised Business and prior to installation. This estimate also covers one-time purchases such as basic furniture, office equipment, the phone system, safe, and other miscellaneous equipment. We will determine the number of laundry machines that you will need to purchase. Business sizes and specifications can vary with the business' anticipated volume based on site location and demographics, thus accounting for the lower and higher figures represented. Terms and conditions are determined by the suppliers we designate.
2. Signage (Interior & Exterior). We list our designated suppliers and the design for your signage in our confidential operations and policy manuals (collectively, the "Manual"). Our estimate for signage includes only the baseline signage we require for a Tide Laundromat business. However, you may choose to purchase enhanced or upgraded signage at your option (if available from the designated supplier), which could cost more than our estimate.
3. POS and Related IT System. These estimates include the computer hardware and software you will need to operate your Franchised Business and any related network equipment and cabling (defined in Item 11). Items 8 and 11 provide details relating to the Computer System components we require you to acquire and use at the Franchised Business.

4. Leasehold Improvements. A Tide Laundromat business requires approximately 3,500 to 5,000 square feet of internal space. You must modify the premises of the Franchised Business according to our approved standards. The architectural, engineering and construction costs associated with modifications to the site/building that may be necessary to install equipment and operate a Tide Laundromat business to our floor plans/layouts will vary depending on the condition of the site and whether the landlord includes the cost of improvements in the rent/lease. This may affect the monthly occupancy cost. However, you may choose to purchase upgraded electrical and plumbing, cabinetry, or flooring at your option (if available from the designated supplier), which could cost more than our estimate.
5. Development Rights Fee, Initial Franchise Fee and New Store Marketing Expense. You must pay the Development Rights Fee when you sign the Development Rights Agreement. The Development Rights Fee is \$10,000 for each Tide Laundromat Business that you agree to develop under the DRA Schedule. When you sign a Franchise Agreement for the First Business, you will pay an Initial Franchise Fee in the amount of \$50,000. If you sign the Franchise Agreement for a Subsequent Business, you will pay an Initial Franchise Fee in the amount of \$30,000. You must spend at least \$15,000 to advertise and promote the Franchised Business (the “New Store Marketing Expense”) during the new store opening period that we designate (the “Opening Period”). We describe the New Store Marketing program in Item 11.
6. Initial Training Travel Related Expenses (First Business). We describe training in Item 11. This figure estimates the out-of-pocket costs and expenses for your First Business for your Managing Owner to attend our Owner Training Academy and for two attendees to travel to and participate in our initial training program.
7. Cleaning Agents. You must use our designated suppliers to acquire the Proprietary Products and related items (such as proprietary and non-proprietary agents, solvents, detergents and other miscellaneous products) that you will use to operate the Franchised Business. We will connect you with suppliers approved by us that may also help you order certain retail store merchandise that may be available for resale at the Franchised Business.
8. Pre-Opening Wages. This figure estimates the salaries you will pay your key employees (at least one general manager) during the initial training program we provide and their pre-opening employment at the Franchised Business, as well as a minimum of one week of pre-opening wages for hourly employees needed for opening. It does not include your out-of-pocket expenses related to the training in which your designated attendees for your First Business will participate before you open that business.
9. Start-up Supplies. These figures estimate the total initial cost of various supplies, including: hand-tools for minor repairs to the equipment and premises; uniforms for your personnel; branded laundry bags for consumer use; printed materials (such as letterhead, stationery, business cards, envelopes, and invoices) and printing; and miscellaneous office supplies for the Franchised Business. We include our recommendations, minimum requirements or specifications, and designated or approved suppliers for these items in the Manual. “Start-up Supplies” will include both consumables that are used to operate the Franchised Business and are replenished on an ongoing basis as needed, and durable supplies such as tools, office furniture, and other items that are expected to last more than one year.
10. Insurance Costs and Other Business Set Up Costs. We describe your insurance requirements in Item 8. Insurance costs depend on policy limits, types of policies, nature and value of physical assets, net revenue, number of employees, square footage, location, business contents, and other factors

bearing on risk exposure. The estimate contemplates insurance costs for three months. We provide more information on insurance in the Manual. Business set up costs include certain licenses, utility and other deposits and legal fees. You must obtain all business licenses required by the jurisdiction where your Franchised Business is located and pay all utilities necessary for the Franchised Business premises to operate. The amounts utility companies will require you to deposit vary considerably. You should contact the utility companies that will provide services to your Franchised Business about the relevant deposits and their amounts. You will incur legal fees for forming your company and reviewing the contracts you will enter into related to your Franchised Business

11. 3 Months' Occupancy Cost. Rent will vary depending on multiple factors, including geographic location, size of the site, prevailing market rates, other businesses in the area, site profile, if buildout costs are included, your credit rating, and other factors and may be considerably higher in certain areas (such as large metropolitan areas) and where the demand for commercial real estate exceeds the available inventory when you are looking for a site. We anticipate that you will rent the Franchised Business premises. It is possible, however, that you might choose to buy, rather than rent, real estate on which to construct and/or develop the Franchised Business. If you choose to purchase the land and building for the Franchised Business, the total cost of acquiring and developing the land, building, and related premises according to our standards may range from approximately \$1,000,000 to \$2,000,000. Real estate costs depend on location, size, visibility, economic conditions, accessibility, competitive market conditions, and the type of ownership interest you are buying. Because of the numerous variables that affect the value of a particular piece of real estate, this initial investment table does not reflect the potential cost of purchased real estate but does include an estimate of the total rental payments due over the first three months of a 10-year lease.

We or our designees will assist you in all phases of the design, style, and functionality of your Franchised Business. The Franchised Business must meet certain square footage, layout and design requirements. We have the right to approve any building you construct or lease. You are responsible for ensuring that the Franchised Business conforms to all applicable laws, including building, signage and zoning codes. As mentioned above, occupancy costs may vary based upon the amount of required improvements. The low end of our estimate reflects situations where landlords may grant waivers or deferrals of rental amounts during the first three months of operations such that the tenant will pay \$0 during the period.

12. Additional Funds (3 months). This estimates the funds needed to cover your initial expenses for the first three months of operation (other than the items identified separately in the table). These expenses include payroll costs (but not any draw or salary for your owners) and payment of utilities as well as the cost of mystery shoppers.
13. Total Estimated Initial Investment. We relied on our experience in franchising, building, starting up and operating our brands to generate these estimates. Some of the ranges in the estimates are driven by weather, zoning requirements, site conditions and architectural demands. ~~Other factors may affect the range, but these represent the most common.~~ You should review these figures carefully with a business advisor before deciding to acquire the franchise. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and lending policies of financial institutions from which you request a loan. Unless specified otherwise, you will incur the expenses described above in establishing the Franchised Business. Except for any real estate, rental and utility deposits (which third parties may impose and collect rather than us), no expenditure in the table above is refundable.

**TABLE 7-B:  
YOUR ESTIMATED INITIAL INVESTMENT  
DEVELOPMENT RIGHTS AGREEMENT - 3 TO 5 BUSINESSES**

The table below represents the initial investment required under the Development Rights Agreement if you commit to develop three to five Tide Laundromat Businesses within the Development Area pursuant to the DRA Schedule. You will also incur the estimated initial investment described under the tables above in this Item 7 for each Tide Cleaners Outlet that you open and operate in your Development Area.

<b>YOUR ESTIMATED INITIAL INVESTMENT DEVELOPMENT RIGHTS AGREEMENT - 3 TO 5 OUTLETS</b>					
<b>TYPE OF EXPENDITURE</b>	<b>LOW AMOUNT</b>	<b>HIGH AMOUNT</b>	<b>METHOD OF PAYMENT</b>	<b>WHEN DUE</b>	<b>TO WHOM PAYMENT IS TO BE MADE</b>
Development Rights Fee (Note 1)	\$30,000	\$50,000	Lump sum	Upon signing Development Rights Agreement	Us
Additional Funds (3 months) (Note 2)	\$500	\$1,000	Cash	As needed	Suppliers
<b>TOTAL ESTIMATED INITIAL INVESTMENT</b> (Note 3)	<b>\$30,500</b>	<b>\$51,000</b>			

**Explanatory Notes to Estimated Initial Investment For  
Development Rights Agreement (Table 7-B)**

1. Development Rights Fee. The low range is the Development Rights Fee for three Franchised Businesses and the high range is the Development Rights Fee for five Franchised Businesses. See Item 5.
2. Additional Funds (3 months). This estimates the funds you initially might need to begin looking for acceptable sites for your Franchised Businesses.
3. Total Estimated Initial Investment. We relied on our experience in franchising, building, starting up and operating our brands to generate these estimates. You should review these figures carefully with a business advisor before deciding to acquire the franchise. We do not offer financing directly or indirectly for any part of the initial investment. The availability and terms of financing depend on many factors, including the availability of financing generally, your creditworthiness and collateral, and lending policies of financial institutions from which you request a loan. No expenditure in the table above is refundable.



## ITEM 8

### RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

#### Franchise Agreement

You must operate the Franchised Business according to our System Standards. System Standards may regulate, among other things, the: (1) types, models, and brands of required building components, fixtures, furniture, laundry machines, other equipment (including credit card merchant equipment, the Computer System, and other point-of-sale equipment), furnishings, vehicles, and signs (collectively, “Operating Assets”); (2) Proprietary Products and Proprietary Processes that you must use or offer at the Franchised Business; (3) other products and supplies we require for use or sale at the Franchised Business, including specified consumer products (such as detergents, agents, cleansers, and laundry products) bearing the Marks and other trademarks, electronic media, and other trademarked items (such as advertising and promotional materials); (4) inventory requirements for some or all items; (5) designated and approved suppliers (including us and our affiliates) of Operating Assets and other items and services; and (6) unauthorized and prohibited dry cleaning, laundry, and other products, services and/or suppliers that you may not use at or for the Franchised Business. You may not install or otherwise operate at the Franchised Business any vending or lotto machines that we have not authorized.

We have the absolute right to limit the suppliers with whom you may deal. We may restrict your sources of Proprietary Products, Proprietary Processes, and other items and services now and in the future in order to protect our trade secrets, assure quality, assure a reliable supply of products that meet our standards, achieve better purchase terms and delivery service, control usage of the Marks by third parties, and monitor the manufacture, packaging, processing, and sale of these items. If we, at our option, limit the Franchised Business’ source(s) of certain items to us, our affiliates, and/or other specified exclusive or approved sources, then you must acquire those items only from the limited source(s) at the prices we or they decide to charge. Any purchases you make from us and our affiliates, whether required or voluntary, may be at prices exceeding our costs. We will list all designated and approved suppliers (including us and our affiliates) in the Manual or other written communications. We may periodically revise this list at our discretion.

#### Required Purchases from Specified Sources

You currently must acquire the following items (as applicable) for the Franchised Business only from suppliers we designate: (1) project management services related to the development of the Franchised Business, as we further describe below; (2) certain Proprietary Products and Proprietary Processes, as we further describe below; (3) the Computer System components and related support, as we further describe below; and (4) other specified Operating Assets (including uniforms, signage and proprietary furnishings) related to the operations of the Franchised Business.

We currently designate suppliers to provide certain Proprietary Products and Proprietary Processes that we specify, including proprietary equipment, detergents, solvents, and technologies, to Tide Laundromat Businesses. You may purchase other Proprietary Products or products for retail sale that we require you to use at the Franchised Business, including products marketed under trademarks that we or our affiliates own, from third-party wholesale or retail sources of your choice, with our prior written approval.

As described in Item 11, you must obtain the Computer System from our designated supplier in compliance with our then-current standards and specifications.



Except as we describe above, there are no other goods, services, supplies, fixtures, equipment, inventory, or computer hardware and software for the Franchised Business that you currently must buy or lease from us (or an affiliate) or designated suppliers.

#### Approved Purchases and Sources

To maintain the quality of the goods and services that Tide Laundromat Businesses sell and the reputation of our system, we may condition your right to buy or lease goods and/or services (besides those described above that you may obtain only from specified designated suppliers) on their meeting our minimum standards and specifications and/or being acquired from suppliers that we approve. We will issue and modify standards and specifications based on our experience in franchising Tide Laundromat Businesses. Our standards and specifications may impose minimum requirements for production, performance, reputation, prices, quality, design, and appearance. The Manual or other communications will generally describe our standards and specifications. There might be situations where you can obtain items from a supplier you believe satisfies our then current requirements and, therefore, upon your written request to us, we may qualify the supplier you request as an approved supplier after we evaluate and verify the supplier's capabilities as described further below. We will not approve any products or suppliers as substitutes for sources of products and services that you currently must purchase from us, our affiliates, or designated suppliers.

If we institute any type of restrictive sourcing program (which, as noted above in this Item 8, we already have imposed or intend to impose for certain products and services), and if you want to use any product or service that we have not yet evaluated or to buy or lease from a supplier that we have not yet approved or designated, then you first must send us sufficient information, specifications, and samples so that we can determine whether the product or service complies with our System Standards or the supplier meets our approved supplier criteria. We may charge you or the supplier a reasonable fee for the evaluation (not to exceed the reasonable cost of the inspection and the actual cost of the test) and will make a decision within a reasonable time (no more than 180 days). We periodically will establish procedures for your requests and may limit the number of approved products, services, and/or suppliers as we think best.

Supplier approval might depend on product quality, delivery frequency and reliability, service standards, financial capability, customer relations, concentration of purchases with limited suppliers to obtain better prices and service, and/or a supplier's willingness to do business with our system, including offering incentives to us or our affiliates. We do not make our criteria for approving suppliers available to our franchisees. Supplier approval might be temporary until we evaluate the supplier in more detail. We may inspect a proposed supplier's facilities during and after the approval process to make sure that the supplier meets our standards. If it does not, we may revoke our approval by notifying the supplier and you in writing. We have no obligation to approve any request for a new product, service, or supplier.

We provide certain technology support services for Tide Laundromat Businesses. During our fiscal year ended June 30, 2024, we received \$63,003 from these transactions, which is 0.55% of our total revenue of \$11,460,368. We are an approved supplier of dryer sheets to Tide Laundromat Businesses; however, we did not earn any revenues from the sale of dryer sheets during our fiscal year ended June 30, 2024. We do not currently serve as an approved or designated supplier for any other products or services sold to our franchisees for their Tide Laundromat Businesses although we may do so in the future.

You must purchase chemical dispensing systems for use with your laundry machines from our affiliate, PGP, and you must sign PGP's Service Agreement to have PGP provide installation, maintenance and support for your chemical dispensing systems. During our last fiscal year ended June 30, ~~2023~~2024, PGP received \$~~139,050~~229,644.24 from the sale of equipment and services provided to our franchisees.

Our franchisees may acquire certain branded items (for example, cleaning detergents, supplies and other related items) through a third party distributor who receives products directly from our affiliates. We did not collect any revenues for these items in our last fiscal year.

#### Advertising Materials

Before you use them, you must send to us for review physical samples of all advertising, promotional, and marketing materials that we have not prepared or previously approved for your use. If you do not receive written approval within 30 days after we receive the materials, they are deemed to be disapproved. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved. Our current web-based marketing platform provides approved advertising and promotional materials. If you would like to create your own advertising and promotional materials, and we approve of the materials, then we or you may have the materials produced by our agency or, alternatively, a local vendor approved by us.

#### Site of the Tide Laundromat Business and Lease

Your Franchised Business must be at a site we approve. We have the right to approve the lease or sublease for the Franchised Business before you sign it and to require that it include certain provisions, including our right, in the event of a lease or sublease, to the Franchised Business' site if the franchise is terminated or not renewed or if you lose possession because of your default under the lease. We also may require you and the landlord to sign a rider to the lease in a form we specify (the "Lease Rider" attached as Exhibit E).

#### Purchasing and Leasing Arrangements

We estimate that approximately 75% to 85% of your overall purchases and leases in establishing and operating the Franchised Business will be made from approved or designated suppliers or in accordance with our specifications or requirements. The lower estimate of purchases and leases reflects a leased site for the Franchised Business and would increase on a percentage basis based on your financing or outright purchase of a site, as applicable.

We and our affiliates have the right to receive payments or other material consideration from suppliers on account of their actual or prospective dealings with our franchisees and to use all amounts that we and our affiliates receive without restriction (unless we and our affiliates agree otherwise with the supplier) for any purposes we and our affiliates deem appropriate. We do not currently have relationships with suppliers from which we or our affiliates will derive benefits based on franchisee purchases. However, we expect that we or our affiliates will receive payments in the future based on purchases made by our franchisees from other designated and approved suppliers, and we intend to use those amounts for ongoing assistance, support, and administration that we provide to the Tide Laundromat network (which may include, at our discretion, deposits into the Fund).

There currently are no purchasing or distribution cooperatives. We and our affiliates currently negotiate purchase arrangements (including price terms) with suppliers for the items and services that you may obtain only from designated sources as described earlier in this Item. In doing so, we and our affiliates seek to promote the overall interests of the franchise system ~~and our company and affiliate-owned operations~~ (including, in some instances, securing brand development funds, rebates and discounts in connection with product purchases) and our interests as the franchisor. Other than as we describe above, we do not provide material benefits to you (for example, renewal or granting additional franchises) for your purchase of particular products or services or use of particular suppliers.

None of our officers or directors currently own an interest in any non-affiliated, third-party suppliers that comprise the existing supply base for the Tide Laundromat network.

### Insurance

You must obtain and maintain, at your own expense, the insurance that we periodically require that must be issued by companies licensed to do business in the states where the services are delivered or the operations are performed and must be rated A, X or better by A.M. Best. You currently must obtain and maintain each of the following: (1) Commercial General Liability insurance with limits of at least \$1,000,000 per occurrence and \$2,000,000 annual aggregate, \$5,000 medical expense per person, and \$300,000 per occurrence for damage to premises rented to you; (2) Workers Compensation and Employer's Liability insurance with limits no less than state statutory benefits, regardless of business form (e.g., sole proprietorship) or number of employees, and Employer's Liability coverage no less than \$1,000,000 each accident for bodily injury by accident, \$1,000,000 policy limit for bodily injury by disease, and \$1,000,000 each employee for bodily injury by disease; (3) Umbrella/Excess Liability insurance with limits of no less than \$2,000,000 per occurrence and annual aggregate, as excess over the insurance policies listed above; and (4) Property and Inland Marine insurance including "Special/All Risk perils" in an amount adequate to cover the replacement cost of the Franchised Business and property in the event of an insured loss, business income and extra expense, including Bailee's Coverage in an amount equal to the total replacement cost of customers' goods on premises, Equipment Breakdown in an amount adequate to cover production equipment, and Crime Coverage with a limit of at least \$25,000 covering Employee Dishonesty, Forgery, Money and Securities. You must have a minimum of \$3,000,000 per occurrence for General Liability, Auto Liability and Employer's Liability and any combination of the primary and umbrella policy is acceptable in meeting this requirement. The General Liability, Commercial Auto and Employer's Liability policies must be scheduled on the Umbrella policy. Such insurance coverage must specifically include promotional events or other business activities in connection with the Franchised Business. We provide more information on insurance in the Manual.

### Development Rights Agreement

If you or your Controlled Affiliate (defined in Item 15) need assistance to find a site for your Franchised Business and have not yet signed a Franchise Agreement for the location, then the Development Rights Agreement requires that you use the brokers, third party consultants or other third party resources we designate, or another third party that you propose and we pre-approve in writing, to assist you in identifying and selecting a suitable proposed site. Otherwise, the Development Rights Agreement does not require you to buy or lease from us (or our affiliates), our designees, or approved suppliers, or according to our specifications, any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, or comparable items related to establishing or operating your development business under the Development Rights Agreement. However, you must give us information and materials we request concerning (1) each site at which you propose to acquire a franchise and operate a Franchised Business, and (2) you or your Controlled Affiliate, so that we can assess that site and your and their financial and operational qualifications, both of which are subject to our approval.

## 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 AGREEMENT<sup>1</sup></b>	<b>DISCLOSURE DOCUMENT ITEM</b>
a. Site selection and acquisition/ lease	FA: 2.A, 2.B. and Lease Rider DRA: 1	7, 8, 11, and 12
b. Pre-opening purchases/ leases	FA: 2 and 5 DRA: Not applicable	5, 7, 8, and 11
c. Site development and other pre-opening requirements	FA: 2 DRA: Not applicable	7, 8, and 11
d. Initial and ongoing training	FA: 4 DRA: Not applicable	6, 7, and 11
e. Opening	FA: 2.G and 2.H DRA: Not applicable	11
f. Fees	FA: 2.A, 2.C, 2.E - H, 3, 4, 6, 7.C, 12.C.(3)(g), 12.F.(2), 13.A.(3), 14.B, and 17.C DRA: 2 and 3.E VA and WA: 1	1, 5, 6, and 7
g. Compliance with standards and policies/ operating manual	FA: 4.D - E and 5 DRA: Not applicable	8 and 11
h. Trademarks and proprietary information	FA: 8, 9 and 11 DRA: Not applicable	13 and 14
i. Restrictions on products/ services offered	FA: 1.A and 5.C DRA: Not applicable	8, 11, 12, and 16
j. Warranty and customer service requirements	Not applicable	Not applicable
k. Territorial development and sales quotas	FA: 1.B DRA: 1 and Exhibit A	12
l. Ongoing product/service purchases	FA: 2.E, 2.F and 5 DRA: Not applicable	6 and 8
m. Maintenance, appearance and remodeling requirements	FA: 5.A DRA: Not applicable	8, 11, 16, and 17
n. Insurance	FA: 5.F DRA: Not applicable	7 and 8
o. Advertising	FA: 6 DRA: Not applicable	6, 7, 8, and 11
p. Indemnification	FA: 9.E and 16.D DRA: 8	6
q. Owner's participation/ management/ staffing	FA: 4.A, 5.E, and 10.B DRA: Not applicable	11 and 15
r. Records and reports	FA: 7 DRA: Not applicable	9 and 11
s. Inspections and audits	FA: 4.D, 5.K, and 7.C DRA: Not applicable	6 and 11
t. Transfer	FA: 12 DRA: 7	17
u. Renewal	FA: 13 DRA: Not applicable	17
v. Post-termination obligations	FA: 15 DRA: Not applicable	17

OBLIGATION	SECTION IN AGREEMENT <sup>1</sup>	DISCLOSURE DOCUMENT ITEM
w. Non-competition covenants	FA: 11 and 15.C DRA: Not applicable	15 and 17
x. Dispute resolution	FA: 17 DRA: 8	17
y. Request for extension of deadlines	FA: 2.H DRA: Not applicable	6
z. Lender Notification	FA: 7.D DRA: Not applicable	Not applicable
aa. Personal Guarantee	Attached to FA	15

<sup>1</sup> The abbreviations for the agreements in the above table refer to the following: Franchise Agreement (FA), Development Rights Agreement (DRA), ~~and~~ Veterans Incentive Program Addendum (VA) and Women-Owned Business Incentive Program Addendum (WA).

## ITEM 10

### FINANCING

Neither we nor any agent or affiliate offers direct or indirect financing to you, guarantees any note, lease or obligation of yours, or has any practice or intent to sell, assign, or discount to a third party all or part of any financing arrangement of yours.

## ITEM 11

### FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

Except as listed below, Agile Pursuits Franchising, Inc. is not required to provide you with any assistance.

#### Pre-Opening Assistance

Before you open the Franchised Business, we will:

1. Work with you regarding site selection for the Franchised Business. The site must meet our criteria for demographic characteristics; traffic patterns; parking; character of neighborhood; competition from, proximity to, and nature of other businesses; size; appearance; and other physical and commercial characteristics. It is your sole responsibility to locate, identify and submit for our approval a suitable proposed site location for the Franchised Business. We will approve or disapprove any location you propose within 30 business days after receiving your description of, and evidence confirming your favorable prospects for obtaining, the proposed site. We will use reasonable efforts to help analyze your market area, to help determine site feasibility, and to assist in designating the location. (Development Rights Agreement - Section 3.B)
2. Approve the lease for the Franchised Business if it meets our requirements. You must sign a lease for the premises of your Franchised Business (including personal guarantees) no later than 180 days before the opening date of the Franchised Business listed on the DRA Schedule, and deliver to us a signed copy of the lease within seven days after its execution. At our sole option, we may require

that you and the landlord of the premises sign the Lease Rider with us (Exhibit E). (Development Rights Agreement - Section 3.C and Lease Rider)

3. Provide you mandatory and suggested specifications and layouts for a Tide Laundromat Business, including requirements for dimensions, design, image, interior layout, décor, fixtures, equipment, signs, furnishings, and color scheme. (Franchise Agreement - Section 2.C)
4. As discussed in Item 8, identify the Operating Assets, Proprietary Products, certain Proprietary Processes, and related detergents, agents, and fabric and garment care cleaning products and supplies that you must use to develop and operate the Franchised Business, the minimum standards and specifications that you must satisfy, and the designated and approved suppliers from whom you must or may buy or lease these items. We do not currently supply any items to you; however, our affiliate, PGP, currently supplies the chemical dispensing systems to you. (Franchise Agreement - Sections 2.E, 5.A, 5.B, 5.C)
5. Provide you with access to the Manual for guidance in your operation of the Franchised Business. The current table of contents of the Manual is found in Exhibit G. As of the issuance date of this disclosure document, the Manual contains approximately 230 total pages. (Franchise Agreement - Section 4.E)
6. Assist with and provide oversight over the development and construction of the Franchised Business, which may include in-depth site evaluation, real estate market analysis, demographics analysis, and amounts for program management related to coordinating negotiations, vendor management, floor plan layout, equipment layout and construction management. (Franchise Agreement - Section 2.C) You are responsible for selecting the architect and/or general contractor to design and construct the Franchised Business, and our project management of the site does not assess the site's compliance with federal, state, or local laws and regulations. Any assistance we provide concerning your construction budget for the Franchised Business is an estimate only and based on the information and assumptions about your local market that you provide to us. You will likely have additional or unforeseen costs and expenses. You should independently verify the costs and expenses you are likely to experience in developing the Franchised Business.
7. Review your New Store Marketing Plan which is described later in this Item. (Franchise Agreement - Section 6.A)
8. Train your two designated attendees for your First Business. (Franchise Agreement - Section 4.A) We describe our training programs later in this Item.

### **Ongoing Assistance**

During your operation of the Franchised Business, we will:

1. Send up to two of our representatives to your First Business for a period of approximately 5 days to assist with the opening. The number of representatives we send and the duration of their assistance will depend on your experience and needs. (Franchise Agreement - Section 4.B)
2. Advise you regarding the operation of the Franchised Business based on your reports and/or our inspections. We also will guide you on standards, specifications, and operating procedures and methods that Tide Laundromat Businesses use; purchasing required and authorized Operating Assets, Proprietary Products, and other items; advertising and marketing materials and programs; supervisory employee training methods and procedures (although you are solely responsible for the



terms and conditions of employment of all Franchised Business employees); and administrative, bookkeeping, accounting, and inventory control procedures. We will guide you in our Manual, bulletins, broadcast communications or other written materials; by electronic media; by telephone consultation; and/or at our office or the Franchised Business. (Franchise Agreement - Section 4.D)

3. Give you, at your request (and our option), additional or special guidance, assistance, and training. (Franchise Agreement - Section 4.C)
4. Continue to provide you access to the Manual for the duration that your Franchise Agreement remains in effect. The Manual may include audio/video recordings, electronic media, and/or written materials. The Manual contains System Standards and additional specifications, standards, operating procedures, and rules that we designate. We may modify the Manual periodically to reflect changes in System Standards. (Franchise Agreement - Section 4.E)
5. Issue and modify System Standards for Tide Laundromat Businesses. We periodically may modify System Standards, which may accommodate regional or local variations, and these modifications may require you to invest additional capital in the Franchised Business and/or incur higher operating costs. (Franchise Agreement - Section 5.J)
6. Periodically advise or offer guidance to you on prices for any products and services offered for sale by the Franchised Business that in our judgment constitute good business practice. Alternatively, we may, to the extent the law allows, regulate your minimum, maximum, or other prices for products or services and require you to participate in system-wide discount programs that we may authorize. (Franchise Agreement - Section 5.G)
7. Inspect, or have our designee inspect, the Franchised Business and observe its operation to help you comply with the Franchise Agreement and all System Standards. If the Franchised Business does not comply with System Standards upon our assessment, we will do a follow-up assessment (as soon as practicable, and typically within 30 days), at your cost and expense, in order to confirm that you have cured any deficiency. (Franchise Agreement - Section 5.K)
8. Let you use our confidential information. (Franchise Agreement - Section 11)
9. Let you use the Marks. (Franchise Agreement - Sections 8 and 9)

If you have a Development Rights Agreement, we will grant franchises to you (or a Controlled Affiliate) if we approve of your (or the Controlled Affiliate's) financial and operational ability and the proposed sites. You (or your Controlled Affiliate) must sign a purchase agreement, lease or sublease for the site at least 180 days before the opening date of the Franchised Business that is set forth on the DRA Schedule. Neither you nor your Controlled Affiliate may sign any lease, sublease or purchase agreement for a site without our pre-approval of your (or your Controlled Affiliate's) financial and operational ability to develop and operate the Franchised Business at the site. Within 30 days after you (or your Controlled Affiliate) sign a purchase agreement or lease for a site at which to develop and operate a Franchised Business, you or the approved Controlled Affiliate must sign our then-current form of franchise agreement and related documents for each Franchised Business, the terms of which may differ substantially from those in the Franchise Agreement attached to this disclosure document. If you or the Controlled Affiliate do not timely sign these franchise agreements, we may withdraw our approval for each site. (Development Rights Agreement - Section 2)

## Advertising

New Store Marketing. You must spend at least \$15,000 to advertise and promote the Franchised Business as the New Store Marketing Expense during the Opening Period that we designate. The Opening Period typically covers the period from one month before through two months after the Opening Date (or up to about three total months), subject to changes we may allow based on the particular market area or other unique circumstances of the Franchised Business, including our approval of an advanced written request that you may submit to us requesting such a change. At least 90 days prior to the opening of the Franchised Business, you must submit a marketing plan (“New Store Marketing Plan”) to us outlining your proposal to advertise and promote the Franchised Business during the Opening Period. You may not implement the New Store Marketing Plan unless and until we have consented to the New Store Marketing Plan in writing. You agree to modify the New Store Marketing Plan as requested by us and, thereafter, no substantial changes shall be made to the New Store Marketing Plan without our advance written consent. Within ten days after the end of the Opening Period, you must submit proof that you spent the New Store Marketing Expense implementing the New Store Marketing Plan.

### Brand Development Fund

We have established a Brand Development Fund (the “Fund”) for advertising, marketing, and public relations programs and materials we deem appropriate. You must contribute to the Fund the amounts that we periodically require. Tide Laundromat Businesses that we or our affiliates own will contribute to the Fund on the same basis as franchisees. We have the right to collect for deposit into the Fund any advertising, marketing, or similar allowances paid to us by suppliers who deal with Tide Laundromat Businesses and with whom we have agreed to deposit these allowances.

We will direct all programs that the Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The Fund may pay for preparing and producing video, audio, and written materials and electronic media; developing, implementing, and maintaining an electronic commerce website and/or related strategies; taxes on Fund Contributions; administering regional and multi-regional marketing and advertising programs, including purchasing trade journal, direct mail, and other media advertising; using advertising, promotion, and marketing agencies and other advisors to provide assistance; and supporting public relations, market research, and other advertising, promotion, and marketing activities. At our sole discretion, the Fund may advertise locally, regionally, and/or nationally in printed materials, on radio or television, and/or on the Internet. We have no obligation to spend a requisite amount of Fund expenditures or any other advertising dollars in your area or territory. We and/or a regional advertising agency currently produce all advertising and marketing materials. The Fund periodically will give you samples of advertising, marketing, and promotional formats and materials at no cost. We will sell you multiple copies of these materials at our direct cost of producing them, plus any related shipping, handling, and storage charges.

We will account for the Fund separately from our other funds and not use the Fund for our general operating expenses. However, we may use the Fund to reimburse us or our affiliates for the reasonable salaries and benefits of personnel who manage and administer the Fund, the Fund’s other administrative costs, travel expenses of personnel while they are on Fund business, meeting costs, overhead relating to Fund business, and other expenses that we incur in activities reasonably related to administering or directing the Fund and its programs, including conducting market research; public relations; preparing advertising, promotion, and marketing materials; and collecting and accounting for Fund contributions.

The Fund is not our asset. The Fund also is not a trust. We have a contractual obligation to hold all Fund contributions for the benefit of the contributors and to use contributions only for their permitted purposes (described above). We have no fiduciary obligation to you for administering the Fund.



The Fund may spend in any fiscal year more or less than the total Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. If the Fund spends more than the total amounts available in a given year (regardless of when those amounts accrued), the Fund may repay the difference plus reasonable interest to us (or another entity that covered the deficit) using contributions received by the Fund in the following or later year. We will use interest earned on Fund contributions to pay costs before spending the Fund's other assets. We will not use Fund contributions for advertising that principally is a solicitation for the sale of franchises. We will prepare an annual, unaudited statement of Fund collections and expenses and give it to you upon written request. We may incorporate the Fund or operate it through a separate entity when we think best. The successor entity will have all of the rights and duties described here.

During the fiscal year ending June 30, ~~2023~~2024, the Fund spent ~~100~~73% of the contributions to the Fund on ~~paid-media~~ and public relations and 27% on administrative expenses.

We intend for the Fund to maximize recognition of the Marks and patronage of Tide Laundromat Businesses. Although we will try to use the Fund to develop advertising and marketing materials and programs, and to place advertising and marketing, in a manner that will benefit all Tide Laundromat Businesses, we need not ensure that Fund expenditures in or affecting any geographic area are proportionate or equivalent to Fund contributions made by Tide Laundromat Businesses operating in that geographic area, or that any particular Tide Laundromat Business benefits directly (or in proportion to its Fund contribution) from the development of advertising and marketing materials and/or the placement of advertising and marketing. We may use collection agents and institute legal proceedings to collect Fund contributions at the Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the Fund. We assume no other direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Fund.

We may at any time defer or reduce a franchisee's Fund contributions and, upon 30 days' prior written notice to you, reduce or suspend Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, later reinstate) the Fund. If we terminate the Fund, we will distribute all unspent monies to franchisees, and to us and our affiliates, in proportion to their, and our, respective contributions during the preceding 12-month period. (Franchise Agreement - Section 6.B)

### Your Local Advertising

In addition to your Fund contributions and your New Store Marketing Expense, you must spend at least 1% of the Net Sales of your Franchised Business to advertise and promote your Franchised Business (the "Local Advertising Expenditures"). We may offset this amount, whether partially or fully, as applicable, to the extent of amounts you may pay to a Cooperative Program (defined below) in your ACA (defined below). Within 30 days after the end of each calendar quarter, you must send us, in the manner we specify, an accounting of your Local Advertising Expenditures during the preceding calendar quarter. Your local advertising and promotion must follow our guidelines. All advertising and promotional materials developed for your Franchised Business must contain notices of our website's domain name in the manner we designate. You may not develop, maintain, or authorize any website that mentions or describes you or the Franchised Business or displays any of the Marks. Effective on 30 days' advance written notice to you, we may require you to pay all or a portion of your Local Advertising Expenditures to us and we will use these funds to advertise and promote your Franchised Business.

All advertising, promotion, and marketing must be completely clear, factual, not misleading, and conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we periodically require. If you are not using the approved marketing materials that are on our web-based marketing program, then before you use them, you must send to us or our designated

agency for review physical samples of all advertising, promotional, and marketing materials that we have not prepared or previously approved. If you do not receive written approval within 30 days after we or our designated agency receives the materials, they are deemed to be disapproved. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved. (Franchise Agreement – Section 6.C)

#### Cooperative Advertising Programs

We may designate an Advertising Coverage Area (“ACA”) - local or regional - in which Tide Laundromat Businesses are located in order to establish a cooperative advertising program (“Cooperative Program”). An ACA is the area covered by the particular advertising medium recognized in the industry or as we may otherwise prescribe based on a Designated Marketing Area (“DMA”) or other method. We will require all Tide Laundromat Businesses in the ACA to participate in a Cooperative Program if one is established in that ACA. The members of the Cooperative Program in an ACA will be all of the Tide Laundromat Businesses located in that ACA, including those operated by us and our affiliates. Each Tide Laundromat Business operating in the ACA will have one vote.

If a Cooperative Program is established for your ACA, you must contribute at least 1% of your Franchised Business’ Net Sales for the prior month to the Cooperative Program (the “Co-op Dues”), payable in the same manner as the Royalty. Your actual Co-op Dues to the Cooperative Program will be determined by a vote of 67% or more of the Tide Laundromat Businesses participating in that ACA’s Cooperative Program, subject to our approval. Your Cooperative Program may increase your Co-op Dues and the applicable rules of contribution if 67% or more of the Tide Laundromat Businesses operating in the ACA vote to support the change. Any amounts you contribute to a Cooperative Program will count toward your Local Advertising Expenditures, but in no event will your amounts contributed to a Cooperative Program affect your New Store Marketing Expense or Contributions to the Fund. If your ACA’s Cooperative Program votes to increase the Co-op Dues above 1% of your Franchised Business’ Net Sales, and you fail or refuse to contribute the increased Co-op Dues to the ACA’s Cooperative Program, the Cooperative Program may suspend your voting rights and other privileges relating to the Cooperative Program until you begin contributing the increased Co-op Dues and pay all past due Co-op Dues.

We have the power to form, change, dissolve, or merge any Cooperative Program. Cooperative Programs will not operate from any written governing documents. We will make available for your review any records showing payments to and expenses of any Cooperative Program in which you participate. (Franchise Agreement - Section 6.D)

#### Franchise Advisory Council

We do not currently have a Franchise Advisory Council or panel of franchisees that advises us on advertising policies, although we may appoint one in the future.

#### Computer System

You must obtain and use the computer hardware and software complying with specifications that we periodically establish, including hardware components, point-of-sale software, dedicated telephone and power lines, modems, printers, and other computer-related accessories and peripheral equipment (the “Computer System”). You will use the Computer System to maintain and operate the Franchised Business’ equipment and related technology. The Computer System also will function as a web-based point-of-sale system for all transactions at the Franchised Business. The Computer System may store some data and information about the Franchised Business’ customers, finances and operations based on information you input. You must maintain the continuous operation of the Computer System. You also must have a

functioning e-mail address so that we can send you notices and otherwise communicate with you by this method.

The Computer System currently includes a personal computer (laptop or desktop) with Microsoft Office 365, Quickbooks, and the Clean Cloud point-of-sale system including an iPad, printer, scale and cash drawer. The Computer System will also include related software and maintenance programs provided by us, our affiliates, or one or more third-party suppliers that we designate. You must acquire the Computer System, certain software downloads, and the point-of-sale system from our designated supplier. You will pay approximately \$12,000 to \$24,500 to buy and install the Computer System's components when you develop the Franchised Business.

You must obtain specific hosting, maintenance, updating, upgrading or support contracts for the Computer System from a supplier we designate (including us or our affiliate). We estimate the annual cost of the required maintenance or support contracts for the Computer System to be in a range between \$1,000 to \$3,000 annually.

We may periodically modify specifications for and components of the Computer System. Our modification of specifications for the Computer System and/or other technological developments or events may require you to purchase, lease, and/or license new or modified computer hardware, software, and other components and to obtain service and support for the Computer System. Although we cannot estimate the future costs of the Computer System or required service or support, you must incur the costs of obtaining the computer hardware, software, and other components comprising the Computer System (and additions and modifications) and required service or support. Within 60 days after we deliver notice to you, you must obtain the Computer System components that we designate and ensure that your Computer System, as modified, is functioning properly.

We and our affiliates may condition any license of required or recommended proprietary software to you, and/or your use of technology developed or maintained by or for us, on your signing a software license agreement or similar document, or otherwise agreeing to the terms (for example, by acknowledging your consent to and accepting the terms of a click-through license agreement), that we and our affiliates periodically specify to regulate your use of, and our (or our affiliate's) and your respective rights and responsibilities for, the software or technology. You must not modify, delete, or change without our advanced written consent any software or hardware configurations that we or our designated suppliers (which may include our affiliates) provide to you. We (and our affiliates) may charge you up-front or ongoing fees for any required or recommended proprietary software or technology that we (or our affiliates) license to you and for other Computer System maintenance and support services provided to you.

Despite your obligation to buy, use, and maintain the Computer System according to our standards and specifications, you have sole and complete responsibility for: (1) the acquisition, operation, maintenance, upgrading, and updating of the Computer System; (2) the manner in which your Computer System interfaces with our and any third party's computer system; and (3) any and all consequences if the Computer System is not properly operated, maintained, and upgraded. We will have unlimited, independent access to all of the information and data in the Computer System, and you acknowledge that we may access customer data that the Computer System uses or generates. (Franchise Agreement - Section 2.F)

## **Opening**

You must open the Franchised Business by the opening date set forth on the DRA Schedule to the Development Rights Agreement or we may terminate the Franchise Agreement. If you have not located a site for the Franchised Business when you sign the Franchise Agreement, we estimate that the time between signing the Franchise Agreement and opening the Franchised Business is one year. If you have located and

signed a lease for an accepted site before you sign the Franchise Agreement, then the estimated time period is 180 days. The specific timetable for opening depends on the site's condition, the construction schedule, the extent to which you must construct a new location or remodel an existing location, the delivery schedule for equipment and supplies, the time period for completing training and complying with local laws and regulations.

You may not open the Franchised Business until: (1) we notify you in writing that the Franchised Business meets our standards and specifications; (2) you complete pre-opening training to our satisfaction (if applicable); (3) you have paid the initial franchise fee (if applicable) and other amounts then due to us; and (4) you give us certificates for all required insurance policies. Subject to these conditions, you must open the Franchised Business in accordance with the required opening time frame as applicable. (Franchise Agreement - Section 2.G)

## **Training**

### **Initial Training Program – First Business**

We will provide our Initial Training Program to you for your First Business. The Initial Training Program includes the following:

1. Before opening your First Business, your Managing Owner must attend our ~~Owner Training Academy~~New Franchisee Orientation, which ~~is~~may be held virtually or at ~~a designated training facility~~our offices in Cincinnati, Ohio over one to two ~~to three~~ days. The ~~Owner Training Academy~~New Franchisee Orientation is an orientation program about us and the Franchise System, not training on the operation of the day-to-day business conducted from Tide Laundromat Businesses.

2. We will also train two of your designated attendees (including your Managing Owner) on the material aspects of operating a Tide Laundromat Business. We will provide the initial training program at a designated training facility of our choice and/or at an operating Tide Laundromat Business.

Our initial training program currently spans approximately two weeks. This estimated two week period excludes the ~~Owner Training Academy~~New Franchisee Orientation and the pre-opening period during which one or more of our representatives will assist you on-site at the Franchised Business. The initial training program consists of a combination of self-directed, computer-based training courses that your attendees will complete using our web portal at their own locations and/or at our training facility in Cincinnati, Ohio; classroom instruction that we conduct at our training facility or another location that we designate; and on-the-job training at an existing Tide Laundromat Business or other location we designate. Your designated attendees must successfully complete the self-directed, computer-based training, including any associated knowledge checks or assessments of proficiency that we then require, in order to attend the classroom and on-the-job portions of the initial training program. If your Managing Owner and your designated attendees cannot complete the initial training program to our satisfaction, we may terminate the Franchise Agreement. (Franchise Agreement - Section 4.A).

Additional people beyond your two designated attendees may attend initial training if you pay \$2,500 for each additional attendee. You also must pay for all travel and living expenses that you and your attendees incur and for your employees' wages and workers' compensation insurance while they attend our training programs.

Training will occur after you sign the Franchise Agreement and while you are developing the Franchised Business. Your attendees must complete the required training programs before you may open your First Business (currently at least 30 days before opening, excluding the new store assistance phase we

describe below). We currently provide training modules in laundromat operations and in administration and customer service related to Tide Laundromat Businesses. The instructional materials for our required training programs include computer-based training courses and software, videos, handouts, the Manual, hands-on training at a certified training site and tests or other evaluations that we require you to complete. We plan to be flexible in scheduling training to accommodate our personnel, you, and your personnel. As of the date of this disclosure document, we provide the following training:

### TRAINING PROGRAM

Subject	Hours of Classroom Training		Hours of On the Job Training	Location
	Self-Directed Computer-Based (Note 1)	Live Classroom		
<del>Owner Training Academy (OTA)</del> <u>New Franchisee Orientation</u>	0	8	0	<u>Virtual or</u> Cincinnati, Ohio <del>or other training location we designate</del>
Manager Training Academy – Guest Service Representative Training	2	4	25	Cincinnati, Ohio or other training location we designate
Manager Training Academy – TLM Fundamentals	1	0	4	Cincinnati, Ohio or other training location we designate
Manager Training Academy – Health, Safety & Environmental	3	0	1	Cincinnati, Ohio or other training location we designate
Manager Training Academy – Manager & Maintenance Training	3	12	25	Cincinnati, Ohio or other training location we designate
TOTALS	9	24	55	

Note 1 - Franchisee personnel complete self-directed, computer-based training courses at their own chosen locations and/or at the training facility, as we designate.

Note 2 – In some instances upon a franchisee’s request, we may conduct portions of the training program at their Franchised Business depending upon scheduling and the availability of our training staff. If we do so, then we will charge for our trainers’ time and travel costs.

The experience of our trainers is outlined below:

Trainer	Title	Years of Training Experience with Tide Laundromat	Years of Training Experience with Other Businesses
Claire Gerdson	Associate Director of Training and Development	<del>12</del>	<del>16</del> <u>17</u>
Christina Dillon	Field Trainer Associate Lead	<del>12</del>	<del>3</del> <u>4</u>
Sharon Bell	Senior Training and Operations Specialist	<del>12</del>	<del>28</del> <u>29</u>
<del>Emily Shaw</del>	<del>Senior Training and Development Specialist</del>	<del>1</del>	<del>4</del>

### Opening Assistance – First Business

When your First Business is ready to open, we will send up to two of our representatives to the Franchised Business for up to a total of five days to assist with the opening of the Franchised Business. You and your employees at the Franchised Business also must successfully complete this phase of the initial training program.

### Opening Assistance – Subsequent Businesses

If you already operate a Tide Laundromat Business, you may request opening assistance for a new Tide Laundromat Business. Subject to our availability, we may send one of our representatives to the Franchised Business for up to five days to assist with the opening of the Franchised Business. You must pay our then-current Additional Training Fee plus related expenses (including travel), for the representative that we send to your Franchised Business.

### Ongoing Training

Your Managing Owner and/or other previously trained and experienced employees must attend and satisfactorily complete various ongoing training courses that we provide at the times and locations that we designate, including our quarterly webcasts via webinar. We may charge reasonable registration or similar fees for these courses. We will not require attendance for more than a total of 10 days during a calendar year. You must pay all travel and living expenses which you and your employees incur during all training courses and programs.

If we conduct an assessment and your Franchised Business does not meet our operating standards and requirements, then in addition to your agreement to remedy all of the deficiencies found, we will have the right to conduct additional assessments and to conduct additional training for you at your Franchised Business, and you agree to pay our then-current Additional Training Fee for such training (plus reasonable travel expenses).

### Conventions and Meetings

Besides attending our training courses, you must send at least two representatives (which can be your Managing Owner and one of your manager-level employees) to attend any convention and meetings at locations we designate. We will not require attendance at any convention for more than three days during any calendar year. We may charge reasonable registration fees for these conventions. You must pay all costs incurred by your representatives to attend the conventions, including all related travel and living expenses and wages.

### Training of Other Franchisees

You must assist us in training other Tide Laundromat Business franchisees. We will reimburse your out-of-pocket expenses for providing this assistance.

## **ITEM 12**

### **TERRITORY**

### **Franchise Agreement**

You will operate the Franchised Business at a specific location that we first must approve as the



franchised location (“Franchised Location”). You may operate the Franchised Business only at the approved Franchised Location and may not relocate the Franchised Location without our approval. Whether or not we would allow relocation depends on the circumstances at the time and what is in the best interests of the Franchised Business and the Tide Laundromat network. Any relocation will be at your sole cost and you must pay the relocation fee. Factors we will consider include, for example, the proposed area, its proximity to other Tide Laundromat Businesses, whether you are complying with your Franchise Agreement, whether you properly de-identify the old location, and how long it will take you to open at the new location. If we allow you to relocate the Franchised Location, then you must comply with our then-current standards and specifications and begin operating the Franchised Business at the new site we approve as the updated Franchised Location within 180 days after you receive our approval.

We will describe your territory in your Franchise Agreement when we approve a site for the Franchised Business (the “Territory”). We will determine the size and boundaries of your Territory in our discretion, based upon factors including geographic area, population density, character of neighborhood, location and number of competing businesses, and other factors. Our determination of the Territory is final. While there is no minimum Territory size and the exact size of each franchise Territory varies based on the applicable factors, a typical Territory in an urban area will cover a quarter mile radius and in a suburban area will cover a two mile radius from the front door of the Franchised Business, with the premises located at the Territory’s approximate center. Your Territory will exclude all geographic areas that comprise a college or university campus with student housing.

If you are in full compliance with the Franchise Agreement, then during the term of the Franchise Agreement, neither we nor our affiliates will operate or grant a franchise for the operation of another Tide Laundromat at a location within your Territory. Except for the territorial rights set forth in the preceding sentence, you do not receive an exclusive territory under the Franchise Agreement, and you may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. We and our affiliates retain all rights with respect to Tide Laundromat Businesses, the Marks, the sale of similar or dissimilar products and services, and any other activities we deem appropriate, without our compensating you in any manner when we make sales through these channels or under these brands, whenever and wherever we desire, including:

- (1) the right to provide, offer and sell, and to grant others the right to provide, offer and sell, products or services that are similar or dissimilar to and/or competitive with those provided at Tide Laundromat Businesses (such as home delivery laundering businesses, dry cleaning businesses or other fabric or textile cleaning services), whether identified by the Marks or other trademarks or service marks, regardless of the method of distribution, inside and outside the Territory and on any terms and conditions we deem appropriate;
- (2) the right to establish and operate, and to grant to others the right to establish and operate, retail businesses offering premium dry cleaning, laundry, and related fabric care services and products, or any similar or dissimilar products and services, that are not primarily identified by the Marks, both inside and outside the Territory and on any terms and conditions we deem appropriate;
- (3) the right to operate, and to grant others the right to operate, Tide Laundromat Businesses the physical premises of which are located anywhere outside your Territory under any terms and conditions we deem appropriate and regardless of proximity to the Franchised Location;
- (4) the right to merchandise and distribute products and services identified by the Marks at any location other than the Franchised Location through any method or channel of

distribution, including through e-commerce, retail stores, grocery stores, club stores, and similar retail outlets;

(5) the right to operate or license others to operate Tide Laundromat Businesses at any Non-Traditional Facility inside or outside the Territory. The term “Non-Traditional Facility” includes, among other things, college campuses, schools, corporate campuses, hotels, airports and other travel related facilities; federal, state, or local government facilities (including military bases); recreational facilities; and sporting event arenas and centers;

(6) the right to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at Tide Laundromat Businesses, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in your Territory); and

(7) the right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at Tide Laundromat Businesses, or by another business, even if such business operates, franchises and/or licenses competitive businesses in your Territory.

Unless you sign or have signed a Development Rights Agreement, you have no options, rights of first refusal, or similar rights to acquire additional franchises. Your Territory may not be modified under any circumstances.

Continuation of your franchise does not depend on your achieving a certain sales volume, market penetration, or other contingency.

There are no restrictions on the areas in which you may solicit or accept orders (except as provided below) provided that the manner or channel of distribution in which you are intending to provide products or services under such orders is permissible under the Franchise Agreement and the Manual.

We ~~do not currently may~~ authorize certain Tide Laundromat Businesses to offer or provide remote pick-up, delivery, or similar services; ~~however, we may do so in the future~~ our sole discretion.

### **Development Rights Agreement**

When you sign the Development Rights Agreement, you (and your Controlled Affiliates) will commit to develop a specified number of Tide Laundromat Businesses within the Development Area. We and you will identify the Development Area in the Development Rights Agreement before signing it. Sizes and boundaries for Development Areas will vary widely depending on factors like economic conditions in the market you are developing, the number of Tide Laundromat Businesses that we approve you to develop, demographics, and site availability. There is generally no minimum size for Development Areas. We will describe the Development Area using streets or other natural boundaries or, in some markets, city or county boundaries. Your Development Area will exclude all geographic areas that comprise a college or university campus with student housing. We and you will negotiate the DRA Schedule describing the number of Tide Laundromat Businesses that you must develop to keep your development rights and the dates by which you must develop them. We and you then will complete the DRA Schedule in the Development Rights Agreement before signing it.

If the location of any Tide Laundromat Businesses you develop under the Development Rights Agreement is unassigned (meaning not yet selected), then in order to meet the expectation that you will



open within the prescribed timeframe, you must locate and obtain our approval of a suitable site for the premises that is located within the Development Area listed in the Development Rights Agreement. Excluding the first Franchise Agreement, which we and you will sign concurrently with the Development Rights Agreement, within 30 days after you sign the lease, sublease or purchase agreement for a site at which to develop and operate any Tide Laundromat Business, you or your Controlled Affiliate (and your or its owners) must sign our then-current Franchise Agreement for the Tide Laundromat Business to be developed at that site.

If you (or your Controlled Affiliates) are in full compliance with the Development Rights Agreement and any other agreements with us or our affiliates, then during the Development Rights Agreement's term neither we nor our affiliates will develop or grant a franchise for the development of another Tide Laundromat Business at a location within your Development Area. Except for the rights set forth in the preceding sentence, you do not receive an exclusive territory under the Development Rights Agreement and you may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. We may exercise all of the rights that we now reserve in the Franchise Agreement (as described above). After the Development Rights Agreement expires or is terminated, regardless of the reason, we and our affiliates may engage, and allow others to engage, in any activities we desire within and outside the Development Area without any restrictions whatsoever, subject only to your (or any Controlled Affiliate's) rights under franchise agreements with us then in effect.

There are no other restrictions on us or our affiliates under the Development Rights Agreement. You may not develop or operate Tide Laundromat Businesses outside the Development Area without our written consent. We may terminate the Development Rights Agreement if you do not satisfy your development obligations according to the DRA Schedule. The termination of the Development Rights Agreement will not impact any Franchise Agreements signed by you or your Controlled Affiliates. Except as described above, continuation of your development rights in the Development Area does not depend on your achieving a certain sales volume, market penetration, or other contingency. We may not alter your Development Area or your development rights without your written consent.

### **Tide Cleaners**



As explained in Item 1, we have offered franchises for retail dry cleaning business under the trade name "Tide Dry Cleaners" outlets since October 2009 using a separate disclosure document. We are in the process of converting the name of these businesses from "Tide Dry Cleaners" to "Tide Cleaners". There may be now or in the future Tide Cleaners outlets located in the same market as current and future Tide Laundromat Businesses. ~~These Tide Cleaners outlets could be affiliate owned, franchised or both.~~ If there is a conflict between you and us caused by a Tide Cleaners outlet or between a Tide Cleaners franchisee and a Tide Laundromat franchisee, our management team will attempt to resolve the conflict after taking into account the specific facts of each situation and what is in the best interests of the affected system or systems. However, we are not responsible for resolving these conflicts.

~~Item 13~~

~~Item 14~~ ITEM 13

### **TRADEMARKS**

P&G registered the following principal Marks on the Principal Register of the United States Patent and Trademark Office ("USPTO") and all required affidavits of use and renewals have been filed:

Mark	Registration Number	Registration Date
TIDE LAUNDROMAT & Design (color) 	6296839	March 16, 2021
TIDE & Design (color) 	6555117	November 9, 2021
TIDE	6555118	November 9, 2021

P&G has granted us the exclusive right to use and permit our franchisees to use the above trademarks under a Trademark License Agreement (the “[P&G Trademark License Agreement](#)”). [The P&G Trademark License Agreement has automatic annual renewals unless either party provides 60-days notice of nonrenewal.](#) P&G has the right to terminate the P&G [Trademark License Agreement](#) if we commit a breach of the [P&G Trademark License Agreement](#). In ~~that~~[the](#) event [of non-renewal or termination](#), we will require you to cease using these trademarks [and we will designate new trademarks for use in the System](#).

We license the Marks to franchisees to use in operating Tide Laundromat Businesses. You must follow our rules and other System Standards when you use the Marks, including giving proper notices of trademark and service mark registration and obtaining fictitious or assumed name registrations required by law. You may not use any Mark in your corporate or legal business name including any acronyms, with modifying words, terms, designs, or symbols (except for those we license to you), in selling any unauthorized services or products, or as part of any domain name, homepage, electronic address, or otherwise in connection with a website.

We do not know of any currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, or any pending infringement, opposition, or cancellation proceedings or material litigation involving the principal Marks. We do not currently know of either superior prior rights or infringing uses that could materially affect your use of the Marks in any state.

You must notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any person’s claim of any rights in any Mark, and you may not communicate with any person other than us, our attorneys, and your attorneys regarding any infringement, challenge, or claim. We and our affiliates may take the action we deem appropriate (including no action) and control exclusively any litigation, USPTO proceeding, or other administrative proceeding arising from any infringement, challenge, or claim. You must assist us and them in protecting and maintaining our interests in any litigation or USPTO or other proceeding. We will reimburse you for your costs of taking any action that we ask you to take.

If it becomes advisable at any time for us and/or you to modify or discontinue using any Mark and/or to use one or more additional or substitute trade or service marks, you must comply with our directions within a reasonable time after receiving notice. We need not reimburse you for any of your expenses in complying with these directions (such as the costs of changing the signs of the Franchised

Business), for any loss of revenue due to any modified or discontinued Mark, or for any of your expenses of promoting a modified or substitute trademark or service mark.

Under the Franchise Agreement, we will reimburse you for all damages and expenses that you incur in any trademark infringement proceeding disputing your authorized use of any Mark that we or our affiliates own if you have timely notified us of, and comply with our directions in responding to, the proceeding. At our option, we may defend and control the defense of any proceeding arising from your use of any Mark.

The Development Rights Agreement does not grant you rights to use the Marks. These rights arise only under the Franchise Agreement.

## ~~Item 15~~ ITEM 14

### PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

#### Patents

~~No patents~~ Certain patent applications that are owned by our affiliate, P&G, currently are material to the operation of your franchise. Under the Franchise Agreement, we would authorize you to use the following principal patents in operating the Tide Laundromat Business (the “Patents”):

<u>Patent or Serial Number</u>	<u>Type</u>	<u>Title</u>	<u>Application Date</u>
<u>US 20220380962</u>	<u>Utility</u>	<u>Supply System for Laundry Treatment Composition</u>	<u>May 26, 2021</u>
<u>US 20230392313</u>	<u>Utility</u>	<u>Array of Laundry Washing Machines</u>	<u>June 1, 2023</u>

P&G has granted us the right to use and permit our franchisees to use the above Patents as part of the Proprietary Processes used in operating a Tide Laundromat Business under a Patent License Agreement (the “P&G Patent License Agreement”). The P&G Patent License Agreement expires when the last licensed patent expires. P&G has the right to terminate the P&G Patent License Agreement if we commit a breach of the P&G Patent License Agreement. In the event of termination, we will require you to cease using these patents.

You must follow our rules and other System Standards when you use the technologies in the licensed Patents. You may not provide or sell any unauthorized services or products under the licensed Patents.

Other than as described above, neither we nor our affiliates currently have any pending patent applications that we believe are material to the franchise. However, in the future we and our affiliates may file other patent applications, or may determine that currently pending patents relate to or have become material to the franchise, and we will make those patents available to franchisees for the operation of Tide Laundromat Businesses.

We do not know of any currently effective material determinations of any court, or of any pending infringement, opposition, or re-examination proceedings or material litigation, involving the Patents. We do not currently know of either superior prior rights or infringing uses that could materially affect your right to practice under the Patents.

You must notify us immediately in writing of any apparent infringement of any Patent, or of any challenge to your use of the Proprietary Products or Proprietary Processes, and you may not communicate with any person other than us, our attorneys, and your attorneys regarding any infringement, challenge, or claim. We or our affiliates and designated third parties may take the action we deem appropriate (including no action) and control exclusively any litigation, USPTO proceeding, or other administrative proceeding arising from any such infringement, challenge, or claim. You must assist us and them in protecting and maintaining our interests in any litigation or USPTO or other proceeding. We will reimburse you for your costs of taking any action that we asked you to take.

If it becomes advisable at any time for us and/or you to modify or discontinue using any products, processes, or technologies and/or to use one or more additional or substitute products, processes or technologies (whether or not patented), you must comply with our directions within a reasonable time after receiving notice. We need not reimburse you for any of your expenses in complying with these directions (such as the costs of changing the Tide Laundromat Business' products or processes), for any loss of revenue due to the use of any modified or discontinued product or process, or for your expenses of promoting a modified or substitute product or process.

Neither we nor our affiliates warrant the validity of any of the licensed Patents. Neither we nor they warrant (whether expressly or impliedly) that the practice of the licensed Patents is not currently limited, or will not be limited in the future, by the intellectual property rights of third parties. At our option, we may defend and control the defense of any proceeding arising from your use of any Proprietary Product or Proprietary Process under the licensed Patents, but we are not obligated to provide indemnification.

### **Copyrights and Confidential Information**

We and our affiliates claim copyrights in the Manual (which contains our trade secrets), advertising and marketing materials, promotional videos and electronic media, and similar items used in developing and operating Tide Laundromat Businesses. We and our affiliates have not registered these copyrights with the United States Registrar of Copyrights, but need not do so at this time to protect them. You may use these items only as we specify while operating your Franchised Business (and must stop using them if we so direct you).

We do not know of any currently effective adverse determinations of the USPTO, the United States Copyright Office, or any court regarding the copyrighted materials. No agreement limits our right to use or allow others to use the copyrighted materials. We do not actually know of any infringing uses of our copyrights that could materially affect your use of the copyrighted materials in any state.

We need not protect or defend copyrights, although we intend to do so if in the best interests of the System. We may control any action we choose to bring, even if you voluntarily bring the matter to our attention. We need not participate in your defense and/or indemnify you for damages or expenses in a proceeding involving a copyright.

You may not use our confidential information in an unauthorized manner. You must take reasonable steps to prevent its improper disclosure to others and use non-disclosure and non-competition agreements with those having access. We may regulate the form of agreement that you use and will be a third party beneficiary of that agreement with independent enforcement rights.

### **Manual**

Our Manual and other materials contain our confidential information some of which constitutes trade secrets under applicable law. This information includes site selection criteria; formulas for Proprietary

Products; methods and technologies for Proprietary Processes; training and operations materials; methods, formats, specifications, standards, systems, procedures, fabric care techniques, sales and marketing techniques, knowledge, and experience used in developing and operating Tide Laundromat Businesses; marketing and advertising programs for Tide Laundromat Businesses; any computer software or similar technology that is proprietary to us or the system; knowledge of specifications for and suppliers of Operating Assets, Proprietary Products, Proprietary Processes, and other products and supplies; knowledge of the operating results and financial performance of Tide Laundromat Businesses other than your Franchised Business; and graphic designs and related intellectual property.

Any materials or guidance that we provide concerning employment-related policies or procedures, whether in the Manual or otherwise, are solely for your optional use. These materials and guidance do not form part of the System Standards. You will determine to what extent, if any, these materials or guidance should apply to your employees and Franchised Business operations. We and you recognize that we neither dictate nor control labor or employment matters for franchisees and their employees and we are not responsible for the safety and security of Tide Laundromat Business employees or customers. You are solely responsible for determining the terms and conditions of employment for your employees, for all decisions concerning the hiring, firing and discipline of your employees, and for all other aspects of the labor relations and employment practices of the Franchised Business.

You must keep your copy of the Manual current and communicate all updates to your employees and personnel in a timely manner. You must keep all parts of the Manual in a secure location and restrict access to any passwords provided to you or developed by you for accessing the Manual. If you and we have a dispute about its contents, our master copy of the Manual controls. The Manual's contents are confidential and you will not disclose the Manual to any person other than Franchised Business employees and personnel who need to know its contents. You may not at any time copy, duplicate, record, or otherwise reproduce any part of the Manual.

At our option, we may post some or all of the Manual on a restricted website or intranet to which we will provide you access. If we do so, you must monitor and access the website or intranet for any updates to the Manual or System Standards. We or our designee will periodically notify you electronically about updates, changes, or deletions to the content posted on the restricted website or intranet. We consider any passwords or other digital identifications necessary to access the Manual on a website or intranet part of the confidential information relating the Tide Laundromat Businesses.

#### Customer Data

You must comply with our reasonable instructions regarding the organizational, physical, administrative, and technical measures and security procedures to safeguard the confidentiality and security of the names, addresses, telephone numbers, e-mail addresses, dates of birth, demographic or related information, and credit card information of previous, current and prospective customers of the Franchised Business ("Customer Data"). You must use reasonable means to safeguard the confidentiality and security of Customer Data and comply with all applicable laws governing the use, protection, and disclosure of Customer Data. If there is a suspected or actual breach of security or unauthorized access involving Customer Data, you must notify us immediately after becoming aware of such actual or suspected occurrence and specify the extent to which Customer Data was compromised or disclosed.

We may access all Customer Data and records for the Franchised Business located on the Computer System. We are the sole owners of Customer Data, and you may not distribute or sell Customer Data to any third party without our prior written consent. We and our affiliates may use Customer Data in our and their business activities, but during the Franchise Agreement's term we and our affiliates will not use the Customer Data that we or they learn from you or from accessing the Computer System to compete directly

with the Franchised Business. When the Franchise Agreement expires or terminates, we and our affiliates may make all disclosures and use the Customer Data in any manner that we or they deem necessary or appropriate.

#### Innovations

You must promptly disclose to us all ideas, concepts, inventions, techniques, or materials concerning a Tide Laundromat Business, whether or not protectable intellectual property, and whether created by or for you or your owners or employees, which will be our sole and exclusive property, and part of the system. You assign ownership of that item, and all related rights to that item, to us and must take whatever action (including signing assignment or other documents) we request to show our ownership or to help us obtain intellectual property rights in the item.

#### Development Rights Agreement

The Development Rights Agreement does not grant you rights to use technologies under any patents, copyrighted works, or other confidential information belonging to us, our affiliates or designated third parties. These rights arise only under the Franchise Agreement.

### ~~Item 16~~ ITEM 15

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

#### **Franchise Agreement**

You must appoint one of your owners to be your “Managing Owner” who will be responsible for overseeing and supervising the operation of the Franchised Business. Your Managing Owner must act as the general manager of the Franchised Business with responsibility for direct, on-premises supervision of the Franchised Business. Your Managing Owner must devote full time and efforts to the management and supervision of the Franchised Business. However, if the Franchised Business is one of multiple Tide Laundromat Businesses that you (or your Controlled Affiliates) own, or if we otherwise allow (in our sole discretion) upon your written request, then you may operate the Franchised Business under the direct on-premises supervision of a general manager we have approved and who has completed our required initial training programs (including any replacement general manager during the term of your Franchise Agreement).

You must at all times faithfully, honestly, and diligently perform your contractual obligations and use best efforts to promote and enhance the Franchised Business. System Standards may regulate the manner of identifying the Franchised Business’ personnel and employee training, dress, and appearance.

You must keep us informed at all times of the identity of any supervisory employees acting as assistant managers of the Franchised Business. Your assistant managers need not have an equity interest in the Franchised Business or you, but they must agree in writing to preserve confidential information to which they have access and not to compete with you, us, and other franchisees. We may regulate the form of agreement that you use and be a third party beneficiary of that agreement with independent enforcement rights.

If you are a corporation, limited liability company, or partnership, your owners and their spouses must personally guarantee your obligations under the Franchise Agreement and agree to be bound personally by every contractual provision, whether containing monetary or non-monetary obligations,



including the covenant not to compete. This “Guaranty and Assumption of Obligations” is attached as an exhibit to the Franchise Agreement and constitutes a separate agreement between us and those persons signing as the guarantors.

### **Development Rights Agreement**

We do not require, but we do recommend, your Managing Owner to personally supervise your development of Tide Laundromat Businesses under the Development Rights Agreement. You must hire sufficient personnel to manage and supervise the development of your Tide Laundromat Businesses. The personnel need not have an equity interest in your business nor attend our training program. If you are a business entity, your owners need not sign any personal guarantees of your obligations under the Development Rights Agreement.

We will grant Tide Laundromat franchises under the Development Rights Agreement only to you or your Controlled Affiliates that we approve. “Controlled Affiliate” means a corporation, limited liability company or other business entity of which you or one or more of your majority owners owns at least 51% of the total authorized ownership interests, but only if you or the owner(s) have the right to control the entity’s management and policies. Franchises that we grant to your Controlled Affiliates will count toward your DRA Schedule.

### **~~Item-17~~ITEM 16**

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

You must offer and sell all products and services that we periodically require for Tide Laundromat Businesses. You may not offer or sell any products or perform any services that we have not authorized. Our System Standards may regulate required and/or authorized Proprietary Products, Proprietary Processes, and other cleaning products and services; laundry, and fabric care products and services; purchase, storage, preparation, handling, and packaging procedures and techniques for Proprietary Products and other products and services; and inventory requirements for Proprietary Products and other products and supplies so that your Franchised Business operates at full capacity. We periodically may change required and/or authorized Proprietary Products, Proprietary Processes, and other products and service offerings. We may, to the extent allowed by applicable law, regulate your minimum, maximum, or other prices for the resale of any products you offer at the Franchised Business. There are no limits on our right to do so.

### **~~Item-18~~ITEM 17**

#### **RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

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

#### **THE FRANCHISE RELATIONSHIP**



## Franchise Agreement

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
a. Length of the franchise term	1.C	10 years from the date the Franchised Business opens for business under the Marks.
b. Renewal or extension of the term	13	If (1) you (and each of your owners) have substantially complied with the Franchise Agreement; (2) you (and each of your owners) are in compliance with the Franchise Agreement and System Standards on the date you notify us that you want a successor franchise and on the date on which the term of the successor franchise begins; (3) you remodel the Franchised Business or secure a substitute premises that we approve; (4) we are then offering new franchise opportunities for Tide Laundromat Businesses; and (5) we have determined, in our sole judgment, that a business model change has not occurred, then you may acquire one successor franchise term of 10 years.
c. Requirements for franchisee to renew or extend	13	<p>“Renewal” means: give us timely notice; maintain possession of the Franchised Location or find acceptable substitute premises; remodel the Franchised Business according to our then-current standards (regardless of cost); sign our new then-current form of franchise agreement (which may contain materially different terms and conditions from the original contract), a form of general release (if law allows, see Exhibit M), and other documents we use to grant franchises; and pay the successor franchise fee.</p> <p>If we decline your request to acquire a successor franchise term because of a business model change, then you may exercise one of three alternatives: (1) continue operating the business at the premises as a non-franchised, independent laundromat business on certain conditions; (2) request that we purchase the business (which request we may reject in our sole discretion) under the terms of Section 13.D of the Franchise Agreement and other prescribed conditions; or (3) become our licensee if we are then offering the opportunity to convert franchised locations to licensed locations using the Marks.</p>
d. Termination by franchisee	Not Applicable	

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
e. Termination by franchisor without cause	Not Applicable	
f. Termination by franchisor with cause	14.A	We may terminate your franchise if you or your owners commit one of several violations.
g. "Cause" defined - curable defaults	14.A	You have 72 hours to cure health, safety, or sanitation law violations; ten days to cure monetary defaults and failure to maintain required insurance; five days to cure closure and 30 days to cure operational defaults and other defaults not listed in (h) below.
h. "Cause" defined – non-curable defaults	14.A	Non-curable defaults include: misrepresentation in acquiring the franchise; failure to open Franchised Business within prescribed timing; failure to complete training; abandonment; unapproved transfers; termination of another agreement with us or our affiliate (other than a Development Rights Agreement); conviction of a felony; dishonest or unethical conduct or acts or omissions that adversely affect the Franchised Business' reputation or the goodwill associated with the Marks; unauthorized use or disclosure of the Manual or other confidential information; failure to pay taxes; understating Net Sales; repeated defaults (even if cured); an assignment for the benefit of creditors; appointment of a trustee or receiver; violation of any anti-terrorism law; violation of System Standards concerning use of unauthorized equipment, services, technologies, products or disapproved suppliers.
i. Franchisee's obligations on termination/nonrenewal	15	Obligations include paying outstanding amounts; completing deidentification; assigning telephone and other numbers; ceasing use of the Marks, Proprietary Products and Proprietary Processes; and returning confidential information (also see (o) and (r) below).
j. Assignment of contract by franchisor	12.A	No restriction on our right to assign; we may assign without your approval.
k. "Transfer" by franchisee defined	12.B	Includes transfer of Franchise Agreement, the Franchised Business (or its profits, losses or capital appreciation) sale of Franchised Business' assets, and ownership change in your owners.
l. Franchisor approval of transfer by franchisee	12.C	No transfer without our prior written consent. We will consent to non-controlling ownership interest transfers if the proposed transferee (or its

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
		owner(s)) are of good character and meet our then applicable standards (including no involvement with a competitive business), you provide us with written notice, and the transfer does not, through one or a series of transfers, transfer or create a controlling ownership interest as a result of the transfer.
m. Conditions for franchisor approval of transfer	12.C	New franchisee qualifies; you pay us, our affiliates, and third-party vendors all amounts due and submit all required reports; no default during 60-day period before transfer request or during period between request and transfer's proposed effective date; new franchisee (and its owners and affiliates) are not in a competitive business; training completed; lease transferred; you or transferee signs our then current franchise agreement and other documents as we require; transfer fee paid; you sign release (if applicable law allows – see Exhibit M); we approve material terms; you subordinate amounts due to you; you and transferring owners agree to not identify yourselves as current or former Tide Laundromat franchisees or otherwise use the Marks; you correct existing Franchised Business deficiencies of which we notify you on punch list; and transferee must agree to upgrade and remodel the Franchised Business within specified timeframe after transfer (also see (r) below).
n. Franchisor's right of first refusal to acquire franchisee's business	12.H	We may match any offer for your Franchised Business or an ownership interest in you.
o. Franchisor's option to purchase franchisee's business	15.D	We may buy certain operating assets and equipment of the Franchised Business at the then current market value (or appraisal value as determined by arbitration) after the Franchise Agreement is terminated or expires (without renewal).
p. Death or disability of franchisee	12.F	Assignment of franchise or an ownership interest in you to approved party within nine months; we may manage Franchised Business if there is no qualified manager.
q. Non-competition covenants during the term of the franchise	11.C	No diverting business; no ownership interest in, or performing services for, competitive business anywhere (" <u>competitive business</u> " means any laundry facility or other business that includes

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
		among its services the cleaning of clothing, wearing apparel, household items, textiles, or fabrics and derives, or reasonably expects to derive, more than 5% of its revenue from selling laundry services or related or derivative products or services (other than a Tide Laundromat business), or any business granting franchises or licenses to others to operate such a business).
r. Non-competition covenants after the franchise is terminated or expires	11.C	No direct or indirect ownership interest in, or performing services for, competitive business for two years at the Franchised Location, within a 5-mile radius of the Franchised Location or within a 5-mile radius of any then-existing Tide Laundromat Business (same restrictions apply after transfer).
s. Modification of the agreement	18	No modifications generally, but we may change the Manual and System Standards and amend and restate Exhibit B to the Franchise Agreement to reflect the Territory (if the Franchised Location is unknown when you sign the Franchise Agreement).
t. Integration/merger clause	18	Only the terms of the Franchise Agreement (including System Standards in the Manual) are binding (subject to applicable federal and state law), except that nothing in the Franchise Agreement shall disclaim or require you to waive reliance on any representations made in this disclosure document (including its exhibits) delivered to you or your representative. Any other promises made outside the disclosure document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	17.E	We and you must arbitrate all disputes in Cincinnati, Ohio (subject to state law).
v. Choice of forum	17.G	Subject to arbitration requirement, litigation must be in courts in Cincinnati, Ohio (subject to state law).
w. Choice of law	17.F	Except for Federal Arbitration Act and other federal law, Ohio law governs (subject to state law).

## **Development Rights Agreement**

<b>PROVISION</b>	<b>SECTION IN DEVELOPMENT RIGHTS AGREEMENT</b>	<b>SUMMARY</b>
a. Length of the franchise term	5	Expires on date when last Franchised Business under DRA Schedule opens or is scheduled to open (whichever is earlier).
b. Renewal or extension of the term	3, 5	You have no right to renew or extend the term. At your request and in our discretion, we may extend development deadlines.
c. Requirements for franchisee to renew or extend	3	For development deadline extensions only, you must request an extension and pay extension fee at least 30 days before a prescribed deadline occurs.
d. Termination by franchisee	Not applicable	You may not terminate (except as the law allows).
e. Termination by franchisor without cause	Not applicable	We may not terminate without cause.
f. Termination by franchisor with cause	6	We may terminate if you commit one of several violations.
g. "Cause" defined – curable defaults	Not applicable	You have no right to cure defaults.
h. "Cause" defined – non-curable defaults	6	Non-curable defaults are failure to meet DRA Schedule, breach of any obligation, and termination of any franchise agreement with you or Controlled Affiliate.
i. Franchisee's obligations on termination/nonrenewal	Not applicable	Not applicable.
j. Assignment of contract by franchisor	7	No restriction on our right to assign or transfer ownership interests without your approval.
k. "Transfer" by franchisee defined	7	Not transferable
l. Franchisor approval of transfer by franchisee	7	Not transferable
m. Conditions for franchisor approval of transfer	7	Not transferable
n. Franchisor's right of first refusal to acquire franchisee's business	Not applicable	Not applicable
o. Franchisor's option to purchase franchisee's business	Not applicable	Not applicable
p. Death or disability of franchisee	Not applicable	Not applicable

PROVISION	SECTION IN DEVELOPMENT RIGHTS AGREEMENT	SUMMARY
q. Non-competition covenants during the term of the franchise	Not applicable	There is no non-competition covenant under the Development Rights Agreement, but the covenant under the Franchise Agreement applies.
r. Non-competition covenants after the franchise is terminated or expires	Not applicable	There is no non-competition covenant under the Development Rights Agreement, but the covenant under the Franchise Agreement applies.
s. Modification of the agreement	8	No modifications unless agreed to in writing.
t. Integration/merger clause	8	Only the terms of Development Rights Agreement are binding (subject to applicable federal and state law), except that nothing in the Development Rights Agreement (including its exhibits) shall disclaim or require you to waive reliance on any representations made in this disclosure document delivered to you or your representative. Any representations or promises made outside the disclosure document and Development Rights Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	8	We and you must arbitrate all disputes in Cincinnati, Ohio (subject to state law).
v. Choice of forum	8	Subject to arbitration requirement, litigation must be in courts in Cincinnati, Ohio (subject to state law).
w. Choice of law	8	Except for Federal Arbitration Act and other federal law, Ohio law governs (subject to state law).

~~Item 19~~ [ITEM 18](#)

**PUBLIC FIGURES**

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

~~Item 20~~ [ITEM 19](#)

**FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

# 1. SALES AND CERTAIN EXPENSES OF FRANCHISED TIDE LAUNDROMAT BUSINESSES AS OF JUNE 30, 2024

The following table reflects the average ~~weekly Net Sales for~~ sales, certain expenses and net controllable income of two franchised Tide Laundromat Businesses ~~in Illinois that were have been~~ in operation for ~~more than one year for~~ the period ~~commencing on May~~ from July 1, 2023 ~~and ending on October 8, 2023~~ through June 30, 2024 (the “~~Reporting Covered~~ Period”). ~~This financial performance representation does not include the results of one~~ The franchised Tide Laundromat Businesses use the prototypical business format, facilities, and operating procedures for a Tide Laundromat Business that ~~opened during form~~ the Reporting Period basis of the Tide Laundromat franchise opportunity that ~~was not in operation for the entire Reporting Period.~~ we offer in this FDD.

The two franchised Tide Laundromat Businesses that were in operation for more than one year had been in operation for an average of one year and three months. The following table excludes the performance of one franchised Tide Laundromat Business that had not operated for a full year as of June 30, 2024.

<u>Average Net Sales<sup>1</sup></u>			<u>\$1,242,024</u>			
<u>Expenses</u>						
<u>Cost of Sales<sup>2</sup></u>			<u>22%</u>			
<u>Labor Cost and Taxes<sup>3</sup></u>			<u>17%</u>			
<u>Marketing<sup>4</sup></u>			<u>3%</u>			
<u>Utilities<sup>5</sup></u>			<u>8%</u>			
<u>Miscellaneous Expenses<sup>6</sup></u>			<u>7%</u>			
<u>Total Controllable Expense</u>			<u>57%</u>			
<u>Net Controllable Income<sup>7</sup></u>			<u>43%</u>			
<u>Royalty<sup>8</sup></u>			<u>6.50%</u>			
<u>Net Controllable Income Less Royalty</u>			<u>36.50% / \$453,339</u>			
<b>Store No.</b>	<b>Average Weekly Net Sales During the Reporting Period</b>	<b>Range of <del>Weekly</del> Net Sales</b>	<b><del>Median Weekly Net Sales</del> <u>\$1,051,913 - \$1,432,134</u></b>			
<u>Median Net Sales</u>			<u>\$1,242,024</u>	<del>\$17,407</del>	<del>\$14,104</del> <del>\$21,133</del>	<del>\$17,405</del>
<b>2</b>		<del>\$23,688</del> <del>\$27,780</del> <b>\$25,781</b>	<b><del>\$25,843</del></b>			



## 2. AVERAGE WEEKLY SALES OF FRANCHISED TIDE LAUNDROMAT BUSINESSES AS OF JUNE 30, 2024

The following table reflects the average Weekly Net Sales<sup>9</sup> for two franchised Tide Laundromat Businesses that were in operation for the Covered Period. The following table excludes the performance of one franchised Tide Laundromat Business that had not operated for a full year as of June 30, 2024.

<u>Store No.</u>	<u>Average Weekly Net Sales</u>	<u>Range of Weekly Net Sales</u>	<u>Median Weekly Net Sales</u>
<u>1</u>	<u>\$20,148</u>	<u>\$15,764 - \$23,622</u>	<u>\$20,495</u>
<u>2</u>	<u>\$27,392</u>	<u>\$22,800 - \$31,153</u>	<u>\$27,365</u>

### Notes

~~“Weekly~~

1. “Net Sales” means all revenue from all sales made during ~~each calendar week (Monday to Sunday)~~ of the ~~Reporting~~Covered Period from operating the Tide Laundromat Businesses, including all amounts received at or away from the premises, and whether from cash, check, credit and debit card, barter exchange, trade credit, or other credit transactions, but (a) ~~excluding~~ all federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority; and (b) reduced by the amount of any documented refunds, credits, coupons, manager-authorized and/or customer loyalty program discounts, and allowances, ~~and charge backs~~ the Tide Laundromat Businesses in good faith gave to customers.

2. “Cost of Sales” represents the costs for detergents, bags, and other supplies used to clean garments. The Costs of Sales vary primarily based on the volume of garments at the Tide Laundromat Businesses.

3. “Labor Cost and Taxes” represents the salary or wages, benefits (if any), and payroll and other taxes for employees at the Tide Laundromat Businesses. Salary and wage rates might vary from market to market, and you alone will determine the terms and conditions of employment for your Tide Laundromat business’ employees and the staffing decisions. Franchisees (or their owners) might serve as the general manager and/or assistant manager for their Tide Laundromat Businesses, and while this item reflects the amounts they reported to us for their labor costs, those costs might be higher or lower than market rates because of their status as owners of the franchised Tide Laundromat Businesses. This item also does not include other employment-related expenses, such as payroll processing fees and employee uniforms, which are covered as Miscellaneous Expenses.

4. “Marketing” represents the amounts that the Tide Laundromat Businesses spent on advertising, marketing and promotional activities and includes each Tide Laundromat Business’ contributions to the Brand Development Fund.

5. “Utilities” represents the costs for electric, gas, sewer, water, telephone/DSL connectivity and other utilities associated with each Tide Laundromat Business. Utility costs can vary widely from market to market.

6. “Miscellaneous Expenses” include but are not limited to amounts for customer claims, durable goods, cleaning supplies (such as floor cleaners and bathroom supplies), waste removal, landscaping, computer and other office supplies, software license and technology fees, employee uniforms, bank charges, business licenses, workers’ compensation insurance, business insurance, third party service providers,

delivery operation expenses, repairs and maintenance, and cash over/short.

7. “Net Controllable Income,” which we reflect as a percentage, represents 100% of Net Sales less the percentages for all the controllable expenses listed in the tables. However, the controllable expenses in the tables do not reflect all the categories of costs and expenses associated with the Tide Laundromat Businesses or that you will incur in operating your Tide Laundromat Business. Some of these other costs include, for example, rent, real estate taxes, common area maintenance charges and other real property-related expenses, including any utility and insurance expenses that are paid to the landlord as part of the lease; legal, accounting and other professional fees; interest and other debt service costs, taxes (other than employment-related taxes included as part of Labor Costs and Taxes), depreciation and amortization. The controllable expense also does not include any return or compensation for the franchisee owning a Tide Laundromat Businesses, unless that franchisee works as a general manager or assistant manager and reports his or her compensation to us as part of Labor Costs and Taxes.

8. “Royalty” represents the Royalty Fee, calculated as 6.5% percent of Net Sales.

9. “Weekly Net Sales” means all revenue from all sales made during each calendar week (Monday to Sunday) of the Covered Period from operating the Tide Laundromat Businesses, including all amounts received at or away from the premises, and whether from cash, check, credit and debit card, barter exchange, trade credit, or other credit transactions, but (a) excluding all federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority; and (b) reduced by the amount of any documented refunds, credits, coupons, manager-authorized and/or customer loyalty program discounts, and allowances the Tide Laundromat Businesses in good faith gave to customers.

10. The information presented for franchised Tide Laundromat Businesses are the result of information included in royalty reports and other financial reports provided by the franchisees. We have not audited this information nor have we verified its accuracy.

11. Written substantiation for this financial performance representation will be made available to you upon reasonable request.

12. The financial performance representation figures do not reflect all of the costs or expenses that must be deducted from the Net Sales to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Franchised Business. Franchisees or former franchisees, listed in this disclosure document, may be one source of information.

**13. Some Tide Laundromat Businesses have earned this much. Your individual results may differ. There is no assurance that you will earn as much.**

Other than the preceding financial performance representations, we do not make any representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income other than as we provide above, you should report it to the franchisor’s management by contacting ~~Keri Morlock~~ [Stephen Philips](#) at 2 Procter & Gamble Plaza, TE-16, Cincinnati, Ohio 45202 or 513-~~340-6768~~ [331-0438](#), the Federal Trade Commission, and the appropriate state regulatory agencies.

## ITEM 20

### OUTLETS AND FRANCHISEE INFORMATION

**Table No. 1**  
**Systemwide Outlet Summary**  
**For Years ~~2021~~2022 to ~~2023~~2024\***

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	<del>2021</del> 2022	0	0	0
	<del>2022</del> 2023	0	<del>0</del> 2	<del>0</del> +2
	<del>2023</del> 2024	<del>0</del> 2	<del>2</del> 3	+ <del>2</del> 1
Company-Owned	<del>2021</del> 2022	0	0	0
	<del>2022</del> 2023	0	0	0
	<del>2023</del> 2024	0	0	0
Total Outlets	<del>2021</del> 2022	0	0	0
	<del>2022</del> 2023	0	<del>0</del> 2	<del>0</del> +2
	<del>2023</del> 2024	<del>0</del> 2	<del>2</del> 3	+ <del>2</del> 1

\*As of June 30 of each year.

**Table No. 2**  
**Transfers of Outlets from Franchisees to New Owners**  
**(other than the Franchisor)**  
**For Years ~~2021~~2022 to ~~2023~~2024\***

State	Year	Number of Transfers
All States	<del>2021</del> 2022	0
	<del>2022</del> 2023	0
	<del>2023</del> 2024	0
Total	<del>2021</del> 2022	0
	<del>2022</del> 2023	0
	<del>2023</del> 2024	0

\*As of June 30 of each year.

**Table No. 3**  
**Status of Franchised Outlets**  
**For Years ~~2021~~2022 to ~~2023~~2024\***

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations -Other Reasons	Outlets at End of the Year
Illinois	<del>2021</del> 2022	0	0	0	0	0	0	0
	<del>2022</del> 2023	0	<del>0</del> 2	0	0	0	0	<del>0</del> 2
	<del>2023</del> 2024	<del>0</del> 2	<del>2</del> 1	0	0	0	0	<del>2</del> 3
Total	<del>2021</del> 2022	0	0	0	0	0	0	0
	<del>2022</del> 2023	0	<del>0</del> 2	0	0	0	0	<del>0</del> 2
	<del>2023</del> 2024	<del>0</del> 2	<del>2</del> 1	0	0	0	0	<del>2</del> 3

\*As of June 30 of each year.

**Table No. 4**  
**Status of Company-Owned Outlets**  
**For Years ~~2021~~2022 to ~~2023~~2024\***

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
All States Totals	<del>2021</del> 2022	0	0	0	0	0	0
	<del>2022</del> 2023	0	0	0	0	0	0
	<del>2023</del> 2024	0	0	0	0	0	0
Totals	<del>2021</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>
	<del>2022</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>
	<del>2023</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>

\*As of June 30 of each year.

**Table No. 5**  
**Projected Tide Laundromat Businesses Openings as of ~~July 1, 2023~~June 30, 2024**

STATE	FRANCHISE AGREEMENTS SIGNED BUT OUTLET NOT OPENED	PROJECTED NEW FRANCHISED OUTLETS IN NEXT FISCAL YEAR	PROJECTED COMPANY OWNED OUTLETS IN IN NEXT FISCAL YEAR
<u>Florida</u>	<u>1</u>	<u>1</u>	<u>0</u>
Illinois	<del>1</del> 0	2	0
Texas	<del>1</del> 3	<del>2</del> 3	0

STATE	FRANCHISE AGREEMENTS SIGNED BUT OUTLET NOT OPENED	PROJECTED NEW FRANCHISED OUTLETS IN NEXT FISCAL YEAR	PROJECTED COMPANY OWNED OUTLETS IN IN NEXT FISCAL YEAR
<del>Totals</del> <u>TOTALS</u>	<del>24</del> <u>24</u>	<del>46</del> <u>46</u>	0

The numbers presented in this Item 20 for 2022 to 2024 are as of our fiscal year end of June 30, 2022, June 30, 2023 and June 30, 2024. If multiple events occurred that affected an outlet, the tables show the event that occurred last in time.

Exhibit H contains a list of: (1) our franchisees and the addresses and telephone numbers of their Tide Laundromat Businesses (or their contact information if their Tide Laundromat Businesses are not yet open); and (2) the name, city and state, and current business telephone number (or, if unknown, the last known home telephone or other contact number) of the franchisees whose franchises were terminated, canceled, or not renewed, or who otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement and Development Rights Agreement during our last fiscal year ended June 30, ~~2023~~ 2024, or who have not communicated with us within 10 weeks of this disclosure document's issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During our last three fiscal years, we have not entered into agreements with our Tide Laundromat franchisees that contained confidentiality restrictions. In some instances, our franchisees may sign provisions restricting their ability to speak openly about their experience with the Tide Laundromat system. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you.

We are not aware of any trademark-specific franchisee organizations associated with the Tide Laundromat system and no independent franchisee organizations have asked to be included in this disclosure document.

## ITEM 21

### FINANCIAL STATEMENTS

Exhibit I contains our audited financial statements for the fiscal years ended June 30, ~~2021, June 30, 2022, June 30, 2023,~~ and June 30, ~~2023~~ 2024.

## ITEM 22

### CONTRACTS

The following contracts/documents are exhibits to this disclosure document:

- B Confidential Disclosure Agreement
- C Development Rights Agreement
- D Franchise Agreement
- E Lease Rider
- F PGP Service Agreement

- J-~~1~~ Veterans Incentive Program Addendum
- ~~K~~ ~~Disclosure Verification Form~~
- J-2 Women-Owned Business Incentive Program Addendum
- L State-Specific Addenda
- M General Release

You also must sign our Franchisee Disclosure Questionnaire, which is attached as Exhibit ~~M~~K.

## ITEM 23

### RECEIPT

Our and your copies of the Franchise Disclosure Document Receipt are located at the last two pages of this disclosure document.

**EXHIBIT A**

**LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS**



## LIST OF STATE ADMINISTRATORS

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

<b>CALIFORNIA</b> Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 / Toll Free: (866) 275-2677 Email: ASK.DFPI@dfpi.ca.gov Website: <a href="http://www.dfpi.ca.gov">http://www.dfpi.ca.gov</a>	<b>NEW YORK</b> NYS Department of Law Investor Protection Bureau 28 Liberty St. 21st Fl New York, NY 10005 (212) 416-8222
<b>HAWAII</b> Commissioner of Securities Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	<b>NORTH DAKOTA</b> North Dakota Securities Department State Capitol Department 414 600 East Boulevard Avenue, Fourteenth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
<b>ILLINOIS</b> Illinois Office of the Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	<b>RHODE ISLAND</b> Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
<b>INDIANA</b> Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	<b>SOUTH DAKOTA</b> Division of Insurance Securities Regulation 124 South Euclid Avenue, 2 <sup>nd</sup> Floor Pierre, South Dakota 57501 (605) 773-3563
<b>MARYLAND</b> Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	<b>VIRGINIA</b> State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051
<b>MICHIGAN</b> Michigan Attorney General’s Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1 <sup>st</sup> Floor Lansing, Michigan 48913 (517) 335-7567	<b>WASHINGTON</b> Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, Washington 98504-1200 (360) 902-8760
<b>MINNESOTA</b> Minnesota Department of Commerce 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	<b>WISCONSIN</b> Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

**AGENTS FOR SERVICE OF PROCESS**

**AGENTS FOR SERVICE OF PROCESS**

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

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

**EXHIBIT B**

**CONFIDENTIAL DISCLOSURE AGREEMENT**



### Confidential Disclosure Agreement

This agreement ("AGREEMENT") is between Agile Pursuits Franchising, Inc., with offices located at Two Procter & Gamble Plaza, Cincinnati, Ohio 45202 (hereinafter referred to as "APFI") and

\_\_\_\_\_ whose address is \_\_\_\_\_  
(hereinafter referred to as "RECEIVING PARTY"), individually referred to herein as "PARTY" and collectively referred to herein as "PARTIES." The PARTIES will engage in discussions or other activities in connection with evaluation of a potential relationship hereinafter referred to as "PURPOSE." In order for the PARTIES to explore their mutual interests, it may be necessary for APFI to disclose to RECEIVING PARTY technical, financial and other business information, which APFI considers confidential. As used herein "INFORMATION" means any and all information disclosed by APFI in conjunction with the PURPOSE. Said INFORMATION may include, but not be limited to, detailed information about the franchise and APFI's business plans and interests related to the PURPOSE, methods, strategies, feasibility issues and market potential information.

1. **Obligation of Confidentiality.** APFI may, at its discretion, disclose INFORMATION to the RECEIVING PARTY. Such disclosures will be made upon the following conditions:
  - 1.1. INFORMATION disclosed will be received and held in confidence by the RECEIVING PARTY.
  - 1.2. The RECEIVING PARTY will take such steps as may be reasonably necessary to prevent the disclosure of INFORMATION to others except to its employees, representatives and advisors who are required to know the INFORMATION in conjunction with the PURPOSE and who are bound to the RECEIVING PARTY by a like obligation of confidentiality. The RECEIVING PARTY will inform all such employees, representatives and advisors of the confidential nature of the INFORMATION and will not provide or disclose the INFORMATION to any of its employees, representatives or advisors unless they agree to observe and comply with this AGREEMENT. The RECEIVING PARTY will be responsible for any breach of this AGREEMENT by any employee, representative or advisor.
  - 1.3. The RECEIVING PARTY will use the same degree of care regarding APFI's INFORMATION as it uses in protecting and preserving its own confidential information of like kind to avoid disclosure or dissemination thereof, but in no event less than a reasonable degree of care.
  - 1.4. The RECEIVING PARTY will not utilize the INFORMATION beyond the PURPOSE without first having obtained the written consent of APFI.
2. **Exceptions to Obligation of Confidentiality.** The commitments set forth in Section 1 above (entitled "Obligation of Confidentiality") and all subsections thereof, will not extend to any portion of INFORMATION, which:

- 2.1. is already in the RECEIVING PARTY's lawful possession at the time of disclosure by APFI, as established by relevant documentary evidence; or
  - 2.2. is or later becomes, through no act on the part of the RECEIVING PARTY, generally available to the public; or
  - 2.3. corresponds in substance to that furnished to the RECEIVING PARTY by any third party having no obligation of confidentiality, direct or indirect, to APFI; or
  - 2.4. corresponds to that furnished by APFI to any third party on a non-confidential basis; or
  - 2.5. is required to be disclosed by law or government regulation, provided that the RECEIVING PARTY provides reasonable prior notice of such required disclosure to APFI.
3. **Term of AGREEMENT and Termination of Obligation of Confidentiality.** This AGREEMENT will become effective and binding upon the last date of execution of this AGREEMENT, and will terminate one (1) year from such effective date. Notwithstanding such termination, the commitments set forth in Section 1 (entitled "Obligation of Confidentiality") and all subsections thereof will survive the termination date of this AGREEMENT and any extensions hereof.
  4. **No Rights or Obligations by Implication.** Acceptance of this AGREEMENT will not carry with it any express or implied license under any intellectual property rights of APFI, nor does it obligate either PARTY to negotiate a cooperative arrangement of any kind with the other PARTY. Nothing contained herein will obligate either PARTY to purchase or supply equipment, materials, or services from or to the other.
  5. **Notices.** All notices, authorizations, etc., relevant to this AGREEMENT will be personally served or sent by first class mail, postage pre-paid, to the respective PARTIES at the following addresses:

APFI:

Andrew Gibson  
Agile Pursuits Franchising, Inc.  
General Office – TE-16  
Two Procter & Gamble Plaza  
Cincinnati, OH 45202

With a Copy to:

Agile Pursuits Franchising, Inc.  
Central Contracts  
Global Intellectual Property Division  
299 E. Sixth St., Floor 9  
Cincinnati, OH 45202

RECEIVING PARTY:

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

6. **Governing Law.** This AGREEMENT will be governed and construed in accordance with the laws of the State of Ohio, United States of America.

7. **Headings.** The headings or titles of sections or paragraphs appearing in this AGREEMENT are provided for convenience and are not to be used in construing this AGREEMENT.

The PARTIES, by their duly authorized representatives, hereby execute this AGREEMENT in duplicate with each PARTY receiving one (1) of the executed originals hereof.

ACCEPTED:

Very truly yours,

\_\_\_\_\_

AGILE PURSUITS FRANCHISING, INC.

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

By: \_\_\_\_\_  
Andrew Gibson  
Chief Executive Officer, APFI

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

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

**EXHIBIT C**

**DEVELOPMENT RIGHTS AGREEMENT**



**AGILE PURSUITS FRANCHISING, INC.**

**TIDE LAUNDROMAT DEVELOPMENT RIGHTS AGREEMENT**

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**DEVELOPER**

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**DATE OF AGREEMENT**

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**DEVELOPMENT AREA**

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### EXHIBIT A – DEVELOPMENT INFORMATION

**AGILE PURSUITS FRANCHISING, INC.**  
**TIDE LAUNDROMAT**  
**DEVELOPMENT RIGHTS AGREEMENT**

**THIS DEVELOPMENT RIGHTS AGREEMENT** (this “Agreement”) is made and entered into by and between **AGILE PURSUITS FRANCHISING, INC.**, an Ohio corporation located at 2 Procter & Gamble Plaza, Cincinnati, Ohio 45202 (“Franchisor,” “we,” “us,” or “our”), and \_\_\_\_\_, a \_\_\_\_\_ having its principal business address at \_\_\_\_\_ (“Developer,” “you,” or “your”) as of the date signed by us and set forth beneath our signature on this Agreement (the “Effective Date”).

**RECITALS**

A. We and our affiliates have over a considerable time period and with considerable effort, developed (and continue to develop and modify) a proprietary system (“System”) for the operation of unique retail businesses offering laundering and related services and products (“Tide Laundromat Businesses”).

B. We and our affiliates use, promote, and license certain trademarks, service marks, and other commercial symbols for the operation of Tide Laundromat Businesses, which have gained and will continue to gain public acceptance and goodwill, and may create, use, and license other trademarks, service marks, and commercial symbols for Tide Laundromat Businesses, all of which we may further improve and modify (collectively, the “Marks”) along with certain proprietary and/or patented technologies for use in connection with Tide Laundromat Businesses.

C. We and you are signing this Agreement because you would like the right to develop and operate one (1) or more Tide Laundromat Businesses within a certain geographic area over a certain period of time, and we are willing to grant you such rights if you comply with this Agreement’s terms.

D. Concurrently with signing this Agreement, we and you or your Controlled Affiliate (as defined in Section 1.A) have signed a franchise agreement for the operation of a Tide Laundromat Business (the “Current Franchise Agreement”).

**1. GRANT OF DEVELOPMENT AND TERRITORIAL RIGHTS.**

A. Grant of Development Rights. Subject to the terms of this Agreement, and provided that you are in full compliance with this Agreement, we grant you (and/or any of your Controlled Affiliates) the right to develop the number of Tide Laundromat Businesses specified on **Exhibit A** to this Agreement according to the mandatory development schedule identified on **Exhibit A** to this Agreement (the “Development Schedule”), within the geographic area described on **Exhibit A** to this Agreement (the “Development Area”). In this Agreement, the term “Controlled Affiliate” means any corporation, limited liability company or other business entity of which you or one or more of your majority owners owns at least fifty-one percent (51%) of the total authorized ownership interests, as long as you or such owner(s) have the right to control the entity’s management and policies, and in each case approved by us.

B. Territorial Rights. Provided you and your Controlled Affiliates are in full compliance with this Agreement and all other agreements between you (or any of the Controlled Affiliates) and us (or any of our affiliates), including the Current Franchise Agreement, then, during this Agreement’s term only, except as otherwise provided in this Agreement, neither we nor our affiliates will operate, or authorize any

other party to operate, a Tide Laundromat Business the physical premises of which are located within the Development Area.

C. Reservation of Rights. Except as expressly limited by Section 1.B, we and our affiliates retain all rights with respect to Tide Laundromat Businesses, the Marks, the sale of similar or dissimilar products and services, and any other activities we deem appropriate whenever and wherever we desire. During this Agreement's term, we reserve the following rights:

(1) the right to provide, offer and sell, and to grant others the right to provide, offer and sell (except as specifically set forth in Section 1.B), products or services that are similar or dissimilar to and/or competitive with those provided at Tide Laundromat Businesses (such as home delivery laundering businesses, dry cleaning businesses, or other fabric or textile cleaning services), whether identified by the Marks or other trademarks or service marks, regardless of the method of distribution, inside and outside the Development Area and on any terms and conditions we deem appropriate;

(2) the right to establish and operate, and to grant to others the right to establish and operate, retail businesses offering premium dry cleaning, laundry, and related fabric care services and products, or any similar or dissimilar products and services, that are not primarily identified by the Marks, both inside and outside the Development Area and on any terms and conditions we deem appropriate;

(3) the right to operate, and to grant others the right to operate, Tide Laundromat Businesses the physical premises of which are located anywhere outside the Development Area under any terms and conditions we deem appropriate and regardless of proximity to the Development Area;

(4) the right to merchandise and distribute products and services identified by the Marks at any location both inside and outside the Development Area through any method or channel of distribution, including through e-commerce, retail stores, grocery stores, club stores, and similar retail outlets;

(5) the right to operate or license others to operate Tide Laundromat Businesses at any Non-Traditional Facility inside or outside the Development Area. The term "Non-Traditional Facility" includes, among other things, college campuses, schools, corporate campuses, hotels, airports and other travel related facilities; federal, state, or local government facilities (including military bases); recreational facilities; and sporting event arenas and centers;

(6) the right to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at Tide Laundromat Businesses, and to franchise, license or create similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Development Area); and

(7) the right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at Tide Laundromat Businesses, or by another business, even if such business operates, franchises and/or licenses Competitive Businesses (as defined in the Current Franchise Agreement) in the Development Area.

(8) After this Agreement expires or is terminated (regardless of the reason), we and our affiliates may engage, and allow others to engage, in any activities we desire within and outside the Development Area without any restrictions whatsoever, subject only to your (or any Controlled Affiliate's) rights under franchise agreements with us then in effect.

## 2. DEVELOPMENT RIGHTS FEE.

Simultaneously with signing this Agreement, you must pay us a “Development Rights Fee” in the amount set forth in **Exhibit A** to this Agreement, which is Ten Thousand Dollars (\$10,000) multiplied by the number of Tide Laundromat Businesses that you agree to develop under the Development Schedule. The Development Rights Fee is fully earned by us when this Agreement is signed and is non-refundable.

## 3. DEVELOPMENT OBLIGATIONS AND REQUIREMENTS.

A. Development Obligations. To maintain your rights under this Agreement, you (and/or your Controlled Affiliates) must sign franchise agreements for, develop, and open for business the agreed-upon number of Tide Laundromat Businesses within the Development Area by the dates set forth on the Development Schedule. You or a Controlled Affiliate will operate each Tide Laundromat Business under a separate franchise agreement (and related documents) with us. The franchise agreement (and related documents) that you or your Controlled Affiliate will sign for each Tide Laundromat Business will be our then-current form of franchise agreement and related documents, including, without limitation, personal guarantees (collectively, the “Franchise Documents”), any or all of the terms of which may differ substantially from the terms contained in the Current Franchise Agreement.

B. Site Evaluation and Approval Process. If you do not have a location for one (1) or more of the Tide Laundromat Businesses you (and/or your Controlled Affiliates) must develop, open and operate pursuant to this Agreement, then this Section 3.B. will govern the site selection, evaluation, and approval process.

(1) Site Selection Methods. You agree to select a site within the Development Area for each Tide Laundromat Business to be developed under the Development Schedule by either: (i) submitting a proposed site to us without using any brokers, third-party consultants or other third-party resources; or (ii) if you need third-party assistance to find a site, using the brokers, third-party consultants or other third-party resources we designate, or another third party that you propose and we pre-approve in writing (collectively, the “Site Consultant”), to assist you in identifying and selecting a suitable proposed site. You acknowledge that the Site Consultant is solely responsible for its activities, communications, and information that it shares with you, and they are not activities, communications, or information from us.

(2) Site Suitability. You acknowledge and agree that, if we recommend, evaluate or give you or your Controlled Affiliate information regarding a site, the recommendation, evaluation, or information is not a representation or warranty of any kind, express or implied, of the site’s suitability for a Tide Laundromat Business or any other purpose. Our recommendation indicates only that we believe that the site meets, or that we have waived, our then-acceptable criteria for Tide Laundromat Businesses. Applying criteria that have appeared effective with other sites and premises might not accurately reflect the potential for all sites and premises, and demographic and/or other factors included in or excluded from our criteria could change, altering the potential of a site and premises. The uncertainty and instability of these criteria are beyond our control, and we are not responsible if a site and premises we recommend or evaluate fails to meet your expectations. You acknowledge and agree that your acceptance of any site for a Tide Laundromat Business is based on your own independent investigation of the site’s suitability.

(3) Site and Franchisee Approval. You agree to give us all information and materials that we request to assess (i) each proposed site and (ii) your or your Controlled Affiliate’s financial and operational ability to develop and operate each proposed Tide Laundromat Business. We will not unreasonably withhold approval of any site you propose that meets our then-current criteria for population density and other demographic characteristics, visibility, traffic flow, competition, accessibility, parking, size, appearance, and other physical and commercial characteristics. We will not unreasonably withhold

approval of you or a Controlled Affiliate as the franchisee of a Tide Laundromat Business if you or the Controlled Affiliate meets our then current criteria for the financial and operational qualifications of Tide Laundromat Business franchisees. However, we have the absolute right to refuse to accept any site or disapprove you and any Controlled Affiliate that do not meet these criteria. We will use reasonable efforts to review and approve or disapprove the sites and approve or disapprove you or the Controlled Affiliates that you propose within thirty (30) days after we receive all requested information and materials.

C. Ownership or Lease of Tide Laundromat Businesses. You or your Controlled Affiliates must provide us evidence of your or their ability to occupy any site we approve for a Tide Laundromat Business either by signing a purchase agreement, or a lease or sublease for the site (each, a “Lease”), no later than one hundred eighty (180) days before the opening date of the Tide Laundromat Business set forth on the Development Schedule. (You or your Controlled Affiliates also agree to begin diligently pursuing any necessary permits and licenses as soon as practicable in order to satisfy your or their development obligations and be able to reasonably meet the prescribed timeline for opening.) Neither you nor your Controlled Affiliate may sign any Lease or purchase agreement for a site without our pre-approval of your (or your Controlled Affiliate’s) financial and operational ability to develop and operate the Tide Laundromat Business at such site. We have the right to approve the terms of any Lease before you (or your Controlled Affiliate) sign it. You acknowledge that our approval of a Lease is not a guarantee or warranty, express or implied, of the success or profitability of a Tide Laundromat Business operated at a site. Our approval indicates only that we believe that the site and the Lease’s terms meet our then acceptable criteria. At our sole option, in the case of a lease or sublease, we may require that you (or your Controlled Affiliate) and the landlord of the site sign a rider to the Lease in a form that we specify (“Lease Rider”), which Lease Rider shall be incorporated as part of the Lease upon execution. You or your Controlled Affiliate must deliver to us a signed copy of each Lease within seven (7) days after its execution, including the signed Lease Rider if we require it. Although we will not directly negotiate any Lease, a Lease must be in a form acceptable to us and must contain certain required terms and provisions (some or all of which may be covered by the Lease Rider if we require it), including:

(1) A provision reserving to us the right to receive an assignment of the Lease upon termination or expiration of the Current Franchise Agreement or any Franchise Documents;

(2) A provision requiring the lessor to give us all sales and other information we request relating to the operation of the Tide Laundromat Business;

(3) A provision requiring the lessor concurrently to send us a copy of any written notice of a Lease default sent to you or your Controlled Affiliate and granting us the right (but without any obligation) to cure any Lease default within fifteen (15) business days after the expiration of the cure period if you or your Controlled Affiliate fail to do so;

(4) A provision evidencing your or your Controlled Affiliate’s right to display the Marks according to the specifications that we prescribe (subject only to applicable law); and

(5) A provision that the site may be used only for the operation of a Tide Laundromat Business.

D. Franchise Documents. Within thirty (30) days after you (or your Controlled Affiliate) sign a Lease or purchase agreement for a site at which to develop and operate a Tide Laundromat Business, you or your Controlled Affiliate (and your or its owners) must sign Franchise Documents for the Tide Laundromat Business to be developed at that site. If you or your Controlled Affiliate (and such owners) do not do so, then we may withdraw our approval for such site. After you (or your Controlled Affiliate) sign

Franchise Documents for a particular Tide Laundromat Business, the terms and conditions of the Franchise Documents will control the further development and operation of that Tide Laundromat Business.

E. Extensions. During the term of this Agreement, we may, in our sole judgment, grant you extensions on any of the prescribed deadlines in this Agreement. You must request from us an extension of the applicable deadline at least thirty (30) calendar days before the deadline date. If we grant an extension on any deadline, we will determine the amount of the extension fee and the length of the extension in our sole judgment. We may consider a variety of factors in whether we grant an extension, including the diligence you have shown in developing the Tide Laundromat Business(es). You must pay us our then-current lump-sum extension fee (which is One Thousand Five Hundred Dollars (\$1,500) for a one (1) month extension as of the Effective Date, but may change during the term of this Agreement) for each extension at the time of your (or your Controlled Affiliate's) extension request to compensate us for our costs, expenses and lost opportunities related to the proposed extension. We will deem each extension request granted and the extension fee fully earned and non-refundable unless we notify you (or your Controlled Affiliate) otherwise on or before the prescribed deadline date. Extensions do not change any date(s) listed on the Development Schedule, other than the particular date(s) then being adjusted by the extension.

#### **4. NO SUBLICENSING OR OTHER RIGHTS.**

This Agreement does not grant you any right to license others to operate Tide Laundromat Businesses. Only you or your Controlled Affiliates may open and operate Tide Laundromat Businesses pursuant to this Agreement and only under Franchise Documents with us. This Agreement is not a franchise agreement and does not grant you the right to engage in the business of offering, selling or distributing goods and services under the Marks, or to use the Marks in any manner. These rights are granted only by franchise agreements signed by you or your Controlled Affiliates, and us. Subject to Section 6(b) below, any and all Franchise Documents are independent of this Agreement.

#### **5. TERM.**

This Agreement's term begins on the Effective Date and ends on the date when (a) the final Tide Laundromat Business under the Development Schedule opens for business, or (b) this Agreement otherwise is terminated.

#### **6. TERMINATION.**

We may terminate this Agreement and your right to develop additional Tide Laundromat Businesses within the Development Area at any time, effective upon delivery of written notice of termination, if: (a) you fail to satisfy either your development obligations under the Development Schedule or any other obligation under this Agreement, which defaults you have no right to cure; or (b) the Current Franchise Agreement or any Franchise Documents between us and you (or any Controlled Affiliate) for a Tide Laundromat Business is terminated by us or you (or the Controlled Affiliate) for any reason.

#### **7. TRANSFER.**

You (and each of your owners) acknowledge that we are granting you the rights under this Agreement because of our perception of your (and your owners') individual and collective character, skill, business acumen, financial capability and ability to operate Tide Laundromat Businesses according to our standards. These rights are personal to you and your owners. Therefore, you and your owners may not transfer (as defined in the Current Franchise Agreement) this Agreement or any of your ownership interests (whether directly or indirectly). We may transfer this Agreement or any of our ownership interests without restriction.



**8. INCORPORATION OF OTHER TERMS.**

Section 11 of the Current Franchise Agreement, entitled “Confidential Information and Covenants,” and Sections 16 through 21 of the Current Franchise Agreement, entitled “Relationship of the Parties/Indemnification,” “Enforcement,” “Construction,” “Notices and Payments,” “Compliance with Anti-Terrorism Laws” and “Electronic Mail,” respectively, including, without limitation, the arbitration obligations under Section 17.E of the Current Franchise Agreement, are incorporated by reference in this Agreement and will govern all aspects of this Agreement and your and our relationship as if fully restated within the text of this Agreement. Nothing in this Agreement or in any related agreement is intended to disclaim the representations we made in our most recent franchise disclosure document that we delivered to you or your representative.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

**FRANCHISOR:**  
**AGILE PURSUITS FRANCHISING, INC.,**  
an Ohio corporation

**DEVELOPER:**  
**[DEVELOPER ENTITY],**  
a \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**DATED\*:** \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**DATED:** \_\_\_\_\_

(\*Effective Date of this Agreement)

## **EXHIBIT A TO THE DEVELOPMENT RIGHTS AGREEMENT**

### **DEVELOPMENT INFORMATION**

1. **Development Area.** The Development Area is defined as the entire territory encompassed by \_\_\_\_\_ in the State of \_\_\_\_\_. If the Development Area is identified by city or other political subdivisions, political boundaries will be considered fixed as of the date of this Agreement, notwithstanding any political reorganization or change to the boundaries. The Development Area is depicted on the map attached to this Exhibit A. However, if there is an inconsistency between the language in this Exhibit A and the attached map, the language in this Exhibit A shall control. All street boundaries will be deemed to end at the street center line unless otherwise specified.
2. **Development Schedule.** You agree to open \_\_\_\_\_ ( ) Tide Laundromat Businesses within the Development Area, including the Tide Laundromat Business developed or to be developed under the Current Franchise Agreement, according to the following Development Schedule:

<b>Tide Laundromat Business Number</b>	<b>Opening by (Date)</b>	<b>Cumulative Number of Tide Laundromat Businesses To Be Opened and Operating No Later Than the Opening Date (in Previous Column)</b>

3. **Development Rights Fee.** The Development Rights Fee paid by Developer: \$\_\_\_\_\_.

## MAP OF DEVELOPMENT AREA

**EXHIBIT D**

**FRANCHISE AGREEMENT**

**AGILE PURSUITS FRANCHISING, INC.**  
**TIDE LAUNDROMAT FRANCHISE AGREEMENT**

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**FRANCHISEE**

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**EFFECTIVE DATE OF AGREEMENT**

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**FRANCHISED BUSINESS ADDRESS**

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## **EXHIBITS**

- EXHIBIT A – LISTING OF OWNERSHIP INTERESTS
- EXHIBIT B – FRANCHISE INFORMATION
- EXHIBIT C – FRANCHISEE CONSENT TO VENDOR INFORMATION SHARING
- EXHIBIT D – GUARANTY AND ASSUMPTION OF OBLIGATIONS

**AGILE PURSUITS FRANCHISING, INC.**  
**TIDE LAUNDROMAT FRANCHISE AGREEMENT**

**THIS TIDE LAUNDROMAT FRANCHISE AGREEMENT** (the “Agreement”) is made and entered into by and between **AGILE PURSUITS FRANCHISING, INC.**, an Ohio corporation located at 2 Procter & Gamble Plaza, Cincinnati, Ohio 45202 (“Franchisor,” “we,” “us,” or “our”), and \_\_\_\_\_, a \_\_\_\_\_ having its principal business address at \_\_\_\_\_ (“Franchisee,” “you,” or “your”) as of the date signed by us and set forth beneath our signature on this Agreement (the “Effective Date”).

**RECITALS**

A. We and our affiliates have developed (and continue to develop and modify) a proprietary system (“System”) for the operation of unique retail businesses offering laundering and related services and products (“Tide Laundromat Businesses”).

B. The distinguishing features of the System include our proprietary detergents, solvents, formulas, equipment, devices, and related products that we, our affiliates, and/or designated third parties own, have developed, or may develop and authorize for use or sale in connection with Tide Laundromat Businesses (“Proprietary Products”); our proprietary know-how, techniques, procedures, cleaning methods, dosing systems, technologies, and related processes that we, our affiliates and/or designated third parties own, have used, or may use to develop the products and services (including the Proprietary Products) offered by Tide Laundromat Businesses and that we or they authorize for use in connection with Tide Laundromat Businesses (“Proprietary Processes”); and our designs, signs, layouts, standards, and specifications, all of which we may improve, further develop, or otherwise modify from time to time.

C. We and our affiliates use, promote, and license certain trademarks, service marks, and other commercial symbols for the operation of Tide Laundromat Businesses, which have gained and will continue to gain public acceptance and goodwill, and may create, use, and license other trademarks, service marks, and commercial symbols for Tide Laundromat Businesses, all of which we may further improve and modify (collectively, the “Marks”) along with certain proprietary and/or patented technologies for use in connection with Tide Laundromat Businesses.

D. You would like to obtain the right to establish and operate a franchised Tide Laundromat Business in full compliance with our proprietary business reference manuals (collectively, the “Manual”), which contains our mandatory and suggested specifications, standards, operating procedures, and rules (“System Standards”) that we periodically specify for the operation of a Tide Laundromat Business in order to maintain the high and consistent quality that is critical to attracting and keeping customers for Tide Laundromat Businesses.

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

**1. GRANT OF FRANCHISE AND TERM.**

A. Grant. Subject to the terms and conditions set forth in this Agreement, we grant you the non-exclusive right (the “Franchise”) and you undertake the obligation to establish and continuously operate a franchised Tide Laundromat Business (the “Franchised Business”) at the location identified in the attached **Exhibit B** (the “Franchised Location”) and a license to use the Marks and the System solely in connection with the Franchised Business. (If the exact location of the Franchised Location is unknown as

of the Effective Date, the location will be determined in accordance with the Development Rights Agreement (as defined in Section 1.B).) You may use the Franchised Location only for the Franchised Business. You agree at all times faithfully, honestly, and diligently to perform your obligations under this Agreement and to use your best efforts to promote the Franchised Business.

B. Development Rights Agreement. Before or concurrently with signing this Agreement, you or your affiliate have also signed a development rights agreement with us under which we grant you or your affiliates the right to develop the Franchised Business, and if applicable, additional Tide Laundromat Businesses under the System within a defined geographic area (the “Development Rights Agreement”). If you have not selected, or we have not approved, the location of the Franchised Business as of the Effective Date, then the Development Rights Agreement will govern the site selection, evaluation and approval process for the Franchised Business.

C. Initial Term. Unless terminated sooner as provided in this Agreement, the initial term (“Term”) of this Agreement expires on the tenth (10th) anniversary of the date the Franchised Business opens for business under the Marks. Your right to seek a successor franchise agreement for an additional term are set forth in Section 13.

D. Territorial Rights. We describe the Franchised Business’ territory (the “Territory”) in **Exhibit B**. The Territory will exclude all geographic areas that comprise a college or university campus, with student housing. The Territory is determined in our sole judgment considering a range of factors that we deem relevant, which might include geographic area, population density, character of neighborhood, location, and number of competing businesses. You agree that our determination of the Territory, as described on **Exhibit B**, is final. Provided that you are in full compliance with this Agreement, then beginning on the Effective Date and continuing throughout the Term, we and our affiliates will not operate or grant a franchise for the operation of another Tide Laundromat Business the physical premises of which are located within the Territory.

E. Rights We Reserve. Except as expressly limited by Section 1.D., we and our affiliates retain all rights with respect to Tide Laundromat Businesses, the Marks, the sale of similar or dissimilar products and services, and any other activities we deem appropriate whenever and wherever we desire. Specifically, but without limitation, we reserve the following rights:

(1) the right to provide, offer and sell, and to grant others the right to provide, offer and sell (except as specifically set forth in Section 1.D), products or services that are similar or dissimilar to and/or competitive with those provided at Tide Laundromat Businesses (such as home delivery laundering businesses, dry cleaning businesses, or other fabric or textile cleaning services), whether identified by the Marks or other trademarks or service marks, regardless of the method of distribution, inside and outside the Territory and on any terms and conditions we deem appropriate;

(2) the right to establish and operate, and to grant to others the right to establish and operate, retail businesses offering premium dry cleaning, laundry, and related fabric care services and products, or any similar or dissimilar products and services, that are not primarily identified by the Marks, both inside and outside the Territory and on any terms and conditions we deem appropriate;

(3) the right to operate, and to grant others the right to operate, Tide Laundromat Businesses the physical premises of which are located anywhere outside the Territory under any terms and conditions we deem appropriate and regardless of proximity to the Franchised Location;

(4) the right to merchandise and distribute products and services identified by the Marks at any location other than the Franchised Location through any method or channel of distribution, including through e-commerce, retail stores, grocery stores, club stores, and similar retail outlets;

(5) the right to operate or license others to operate Tide Laundromat Businesses at any Non-Traditional Facility inside or outside the Territory. The term “Non-Traditional Facility” includes, among other things, college campuses, schools, corporate campuses, hotels, airports and other travel related facilities; federal, state, or local government facilities (including military bases); recreational facilities; and sporting event arenas and centers;

(6) the right to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at Tide Laundromat Businesses, and to franchise, license or create similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including the Territory); and

(7) the right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at Tide Laundromat Businesses, or by another business, even if such business operates, franchises and/or licenses Competitive Businesses (as defined in Section 11.C) in the Territory.

F. Reasonable Business Judgment. We have the right to operate, develop and change the System and System Standards in any manner that is not specifically prohibited by this Agreement. Whenever we have reserved in this Agreement a right to take or to withhold an action, or to grant or decline to grant you a right to take or omit an action, we may, except as otherwise specifically provided in this Agreement, make our decision or exercise our rights based on information readily available to us and our judgment of what is in the best interests of us or our affiliates, Tide Laundromat Businesses generally, or the System at the time our decision is made, without regard to whether we could have made other reasonable or even arguably preferable alternative decisions or whether our decision promotes our or our affiliates’ financial or other individual interest. Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed, initiated or completed actions that require our approval.

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

## **2. DEVELOPMENT AND OPENING OF THE FRANCHISED BUSINESS.**

A. Ownership Or Lease Of Franchised Location; Relocation. Before signing this Agreement, and pursuant to the lease or purchase agreement conditions in the Development Rights Agreement, you signed a purchase agreement, or a lease or sublease for the Franchised Location (the “Lease”). You may not operate the Franchised Business at any site other than the Franchised Location and may not relocate the Franchised Business without our prior written consent, which may be withheld by us in our sole discretion. If we approve a relocation of the Franchised Business, you must pay a relocation fee in the amount of Ten Thousand Dollars (\$10,000) and sign our then-current form of Franchise Agreement, and we may condition our approval upon the payment of an agreed minimum Royalty (as defined in Section 3.B) to us during the period in which the Franchised Business is not in operation. You must open and begin operating the

Franchised Business at the new site we approve within one hundred eighty (180) days after you receive our approval.

B. Lease Terms. We have the right to approve the terms of any Lease before you sign it. At our sole option, in the case of a lease or sublease, we may require that you and the landlord of the site sign a rider to the Lease in a form that we specify (“Lease Rider”), which Lease Rider shall be incorporated as part of the Lease upon execution. You must deliver to us a signed copy of each Lease and any amendment or renewal thereof, within seven (7) days after its execution, including the signed Lease Rider if we require it. Although we will not directly negotiate any Lease, a Lease must be in a form acceptable to us and must contain certain required terms and provisions (some or all of which may be covered by the Lease Rider if we require it), including:

(1) A provision reserving to us the right to receive an assignment of the Lease upon termination or expiration of this Agreement;

(2) A provision requiring the lessor to give us all sales and other information we request relating to the operation of the Franchised Business;

(3) A provision requiring the lessor concurrently to send us a copy of any written notice of a Lease default sent to you and granting us the right (but without any obligation) to cure any Lease default within fifteen (15) business days after the expiration of the cure period if you fail to do so;

(4) A provision evidencing your right to display the Marks according to the specifications that we prescribe (subject only to applicable law); and

(5) A provision that the site may be used only for the operation of a Tide Laundromat Business.

C. Development of the Franchised Business.

(1) You are responsible for developing the Franchised Business in accordance with the terms and conditions contained in this Agreement. We or our designees may, at any time and from time to time (but in no way limiting or affecting your responsibility for developing the Franchised Business), provide certain support and assistance in the development and start-up of the Franchised Business.

(2) We will give you mandatory and suggested specifications and layouts for a Tide Laundromat Business, including requirements for dimensions, design, image, interior layout, decor, fixtures, equipment, signs, furnishings, and color scheme. These plans might not reflect the requirements of any federal, state, or local law, code, or regulation, including those arising under the Americans with Disabilities Act (the “ADA”) or similar rules governing public accommodations for persons with disabilities. It is your responsibility, though we may assist, to prepare a site survey and all required construction plans and specifications to suit the Franchised Location and to make sure that these plans and specifications comply with the ADA and similar rules governing public accommodations for persons with disabilities, other applicable ordinances, building codes, permit requirements, and Lease requirements and restrictions.

(3) While we or our designee may provide project management assistance with respect to the construction of the Franchised Business, you agree to send us construction plans and specifications for review before you begin constructing the Franchised Business and all revised or “as built” plans and specifications during construction. You are responsible for selecting the architect and/or general contractor (collectively, the “Builder”), which Builder must be one of our pre-approved vendors or another vendor

that you present and we approve in our sole judgment, to design and construct the Franchised Business. Because our review is limited to ensuring your compliance with our design requirements, it might not assess compliance with federal, state, or local laws and regulations, including the ADA, as compliance with these laws is your responsibility. If we approve and authorize you to use an architect that is not one of our pre-approved vendors, you must pay us a plan review fee in the amount of Four Thousand Dollars (\$4,000) (the "Plan Review Fee") to review your construction plans and specifications. We may inspect the Franchised Location while you are developing the Franchised Business.

(4) You agree to take, at your own expense, all actions relating to the development of the Franchised Business at the Franchised Location, including the following:

(a) securing all financing required to develop and operate the Franchised Business;

(b) obtaining all required building, utility, sign, health, sanitation, business, and other permits and licenses;

(c) constructing all required improvements to the Franchised Location and decorating the Franchised Business according to approved plans and specifications;

(d) obtaining all necessary civil engineering and other services necessary in connection with the design and construction of the Franchised Business in accordance with this Agreement and applicable plans, specifications, permits, licenses, and regulations;

(e) obtaining all customary contractors' sworn statements and partial and final waivers of lien for construction, remodeling, decorating, and installation services;

(f) purchasing or leasing, and installing, all required fixtures, furniture, laundry machines, equipment (including required or recommended Computer System (as defined in Section 2.F)), furnishings, and signs (collectively, "Operating Assets") for the Franchised Business; and

(g) purchasing an opening inventory of authorized and approved Proprietary Products, agents, detergents, materials, supplies, and other products to operate the Franchised Business.

D. Project Management Oversight. In connection with the foregoing, we, our affiliates, or third parties we designate shall assist with, and provide oversight concerning, the development and construction of the Franchised Business in compliance with this Agreement and other aspects of the development of the Franchised Business. The assistance will include in-depth site evaluation, real estate market analysis, demographics analysis, and program management related to coordinating negotiations, vendor management, floor plan layout, equipment layout and construction management. Notwithstanding the foregoing, you (and not we) are responsible for the performance of the Builder and subcontractors you must hire to develop and maintain the Franchised Business, and our project management of the site does not assess the site's compliance with federal, state, or local laws and regulations.

E. Operating Assets. You agree to use in the operation of the Franchised Business only those Operating Assets that we periodically approve for Tide Laundromat Businesses as meeting our specifications and standards for quality, design, appearance, function, and performance. You may not install or otherwise operate at the Franchised Location any vending or lotto machines or other Operating Assets that we have not authorized. You agree to place or display at the Franchised Location (interior and exterior) only the signs, emblems, lettering, logos, and display materials and products that we prescribe or otherwise approve from time to time. You agree to purchase or lease approved brands, types, or models of

Operating Assets only from suppliers we designate or approve (which may include or be limited to us and/or our affiliates). If we approve and authorize you to use a sign vendor that is not one of our pre-approved vendors, you must pay us a sign layout review fee in the amount of Five Hundred Dollars (\$500) (the “Sign Layout Review Fee”) to review your sign layout and artwork.

F. Computer System.

(1) You agree to obtain and use the computer hardware, maintenance and operation systems, point of sale systems, and/or operating software we specify from time to time (the “Computer System”). You must maintain the continuous operation of the Computer System. You also agree to maintain a functioning e-mail address. We may periodically modify specifications for and components of the Computer System. Our modification of specifications for the Computer System, and/or other technological developments or events, might require you to purchase, lease, and/or license new or modified computer hardware and/or software and to obtain service, maintenance and support for the Computer System. Although we cannot estimate the future costs of the Computer System or required service or support, and although these costs might not be fully amortizable over this Agreement’s remaining Term, you agree to incur the costs of obtaining the computer hardware and software comprising the Computer System (or additions and modifications) and required service or support. We have no obligation to reimburse you for any Computer System costs. Within sixty (60) days after you receive notice from us, you agree to obtain the Computer System components that we designate and to ensure that your Computer System, as modified, is functioning properly.

(2) You agree that we or our affiliates may condition any license of proprietary software to you, or your use of technology that we, our affiliates, or third parties develop or maintain, on your signing a software license agreement or similar document, or otherwise agreeing to the terms (for example, by acknowledging your consent to and accepting the terms of a click-through license agreement), that we or our affiliates prescribe to regulate your use of, and our and your respective rights and responsibilities with respect to, the software or technology. We and our affiliates may charge you upfront or ongoing fees for any proprietary software or technology that we or our affiliates license to you and for other maintenance and support services that we or our affiliates provide during this Agreement’s Term. You agree not to modify, delete, or change any software or hardware configurations that we or our designated supplier(s) (which may include our affiliates) license or otherwise provide to you, without our advanced written consent.

(3) Notwithstanding your obligation to buy, use, and maintain the Computer System according to our standards and specifications, you will have sole and complete responsibility for: (a) the acquisition, operation, maintenance, and upgrading of the Computer System; (b) the manner in which your Computer System interfaces with our and any third party’s computer system; and (c) any and all consequences if the Computer System is not properly operated, maintained, and upgraded. You acknowledge that we may have unlimited, independent access to customer or financial data generated by or through the Computer System in accordance with this Agreement.

G. Opening The Franchised Business. You agree not to open the Franchised Business until:

(1) we notify you in writing that the Franchised Business meets our then current standards and specifications (although our acceptance is not a representation or warranty, express or implied, that the Franchised Business complies with any engineering, licensing, environmental, labor, health, building, fire, sanitation, occupational, landlord’s, insurance, safety, tax, governmental, or other statutes, rules, regulations, requirements, or recommendations nor a waiver of our right to require continuing compliance with our requirements, standards, or policies);



(2) your Managing Owner (as defined in Section 10.B) and your designated attendee(s) satisfactorily complete our initial training program;

(3) you pay the Initial Franchise Fee (as defined in Section 3.A) and other amounts then due to us; and

(4) you provide us certificates for all required insurance policies.

(5) Subject to your compliance with these conditions, you agree to open the Franchised Business for business no later than the opening deadline set forth in the development schedule on Exhibit A of the Development Rights Agreement. The date upon which you begin operating the Franchised Business pursuant to this paragraph and this Agreement shall be deemed the "Opening Date."

H. Extension Of Deadlines. We may grant you, according to our reasonable business judgment, extensions on the prescribed deadlines for site evaluation and approval, securing the Lease, and opening the Franchised Business as required in this Section 2. You must request from us an extension of the applicable deadline at least thirty (30) calendar days before the occurrence of the deadline date. If we grant an extension on any deadline, we will determine the amount of the extension fee and the length of the extension at our sole option. We may consider a variety of factors in whether we grant an extension, including the diligence you have shown in developing the Franchised Business. You must pay us our then current lump-sum extension fee (which is One Thousand Five Hundred Dollars (\$1,500) for a one (1) month extension as of the Effective Date and which may change during Term) for each extension at the time of your extension request to compensate us for our costs, expenses and lost opportunities related to the proposed extension. Unless we notify you otherwise on or before the deadline date, your extension request will be deemed granted and the extension fee fully earned and non-refundable by us. Extensions do not change any date(s) included in the development schedule on Exhibit A of the Development Rights Agreement, other than the particular date(s) then being adjusted by the extension.

### 3. FEES.

A. Initial Franchise Fee. You agree to pay us a non-recurring and non-refundable lump-sum initial franchise fee in the amount set forth in Exhibit B of this Agreement ("Initial Franchise Fee") in two (2) equal installments of fifty percent (50%) of the Initial Franchise Fee. The first installment is due when you sign this Agreement and the second installment is due on the Opening Date. The Initial Franchise Fee is paid for our costs of evaluating your credentials as a prospective franchisee and otherwise assisting you in the application process to acquire your Franchise upfront costs associated with certain support and assistance in the location and development of the Franchised Business, including site selection, lease negotiations, real estate committee review, site tours, design and layout, construction and project management, equipment and supplier support; and certain support and assistance in the start-up and opening of the Franchised Business, including training if the Franchised Business is your first Tide Laundromat Business, vendor support, technology setup, and other support; and the license to use the System and the Marks during the term of this Agreement. The Initial Franchise Fee is fully earned by us when paid and is not refundable.

#### B. Continuing Service And Royalty Fee.

(1) You agree to pay us, in the manner provided below (or as the Manual otherwise prescribes), a weekly Continuing Service and Royalty Fee (the "Royalty") equal to six and one-half percent (6.5%) of the Net Sales (as defined below) of the Franchised Business. On or before Thursday of each week, you agree to send us, on a form we approve (or as we otherwise direct), a signed statement of the Net Sales of the Franchised Business for the previous week ended. Each weekly statement of Net Sales must

be accompanied by the Royalty due for that week, except where the conditions and procedures for electronic payment pursuant to Section 3.F below may apply. As used in this Agreement, a “week” means the seven (7) consecutive calendar-day period beginning on Monday and ending at the close of the daily operations of the Franchised Business the following Sunday. In lieu of submitting a weekly statement of Net Sales, you agree that we may elect to extract your Net Sales data from the Computer System and debit the Royalty in accordance with Section 3.F on the basis of the Net Sales reflected therein.

(2) As used in this Agreement, the term “Net Sales” means the aggregate amount of all revenues generated from the sale of all products and services sold and all other income of every kind related to the operation of the Franchised Business, including all amounts that you receive at or away from the Franchised Location including through Delivery Services, whether the sales method is permitted or not, and whether from cash, check, credit and debit card, barter exchange, trade credit, or other credit transactions but (a) excluding all federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority; and (b) reduced by the amount of any documented refunds, credits, coupons, manager-authorized and/or customer loyalty program discounts, allowances, and charge-backs the Franchised Business in good faith gives to customers. We reserve the right to modify our policies consistent with industry practices regarding revenue recognition, revenue reporting, and the inclusion in or exclusion of certain revenue from “Net Sales” as circumstances, business practices, and technology change.

C. Fund Contribution. You must make a non-refundable contribution to our Brand Development Fund in the amount that we specify from time to time (the “Fund Contribution”), which as of the Effective Date equals two percent (2%) of the Net Sales of the Franchised Business for the previous week, payable at the same time and in the same manner as the Royalty or in such other manner as we periodically specify. We have the right to increase the amount of the Fund Contribution up to four percent (4%) of the Net Sales of the Franchised Business in our sole discretion.

D. Technology Support Fee. You must pay a ~~weekly~~ technology support fee to us in the amount that we specify from time to time (the “Technology Support Fee”), which as of the Effective Date equals ~~two percent (2%) of the Net Sales of the Franchised Business for the previous week at the same time and in the same manner as the Royalty or in such other~~ Seven Hundred Fifty Dollars (\$750) per month payable in such manner as we periodically specify. We may use the Technology Support Fee to provide technical support, digital menu board support, store hardware support, reporting, website management, our extranet or similar application and general funds for technology innovations and other technological advances. We reserve the right to increase the Technology Support Fee up to (2%) of the Net Sales of the Franchised Business in our sole discretion at any time and the increase shall be effective no sooner than thirty (30) days after we notify you of the increase in writing.

E. Application Of Payments. Despite any designation you make, we may apply any of your payments to any of your past due indebtedness to us. We may set off any amounts you or your owners owe us or our affiliates against any amounts we or our affiliates owe you or your owners. You may not withhold payment of any amounts you owe us due to our alleged nonperformance of any of our obligations under this Agreement.

F. Payment Method And Timing.

(1) Before the Franchised Business opens, you agree to sign and deliver to us the documents we require to authorize us to debit your business checking account automatically for the Royalty, Fund Contributions, and other amounts due under this Agreement and for certain specified purchases you make from us and/or our affiliates (the “Account”). We will debit the Account for these amounts on or after their due dates. You agree to ensure that funds are available in the Account to cover our withdrawals.

If there are insufficient funds in the Account to cover any such amount owed, we will charge you a processing fee of One Hundred Dollars (\$100) to compensate us for our additional administrative expenses we incur in connection with your failure to maintain sufficient funds in the Account.

(2) If you fail to report the Net Sales of the Franchised Business, we may debit your Account for one hundred twenty percent (120%) of the last Royalty and Fund Contribution that we debited. If the amounts that we debit from your Account are less than the amounts you actually owe us (once we have determined the true and correct Net Sales of the Franchised Business), we will debit your Account for the balance on the day we specify. If the amounts that we debit from your Account are greater than the amounts you actually owe us, we will credit the excess, without interest, against the amounts we otherwise would debit from your Account during the following week(s).

(3) We may require you to pay any amounts due under this Agreement or otherwise by means other than automatic debit whenever we deem appropriate, and you agree to comply with our payment instructions. We have the right, at our sole option upon notice to you, to change from time to time the timing and terms for payment of the Royalty, Fund Contributions and other amounts payable to us under this Agreement.

G. Late Fees And Interest. If you fail to pay (or make available for withdrawal from your Account) any amounts you owe us for any reason, those amounts will bear interest accruing as of their original due date at one and one half percent (1.5%) per month or the highest commercial contract interest rate the law allows, whichever is less. We may debit your Account automatically for such interest. You acknowledge that this Section 3.G is not our agreement to accept any payments after they are due or our commitment to extend credit to, or otherwise finance your operation of, the Franchised Business.

H. Other Funds Due. You agree to pay us, within ten (10) days of our written request (which is accompanied by reasonable substantiating material), any monies that we have paid, or that we have become obligated to pay, on your behalf, by consent or otherwise under this Agreement.

#### 4. TRAINING AND ASSISTANCE.

A. Initial Training – First Business. We will provide our initial training program only for the first Tide Laundromat Business that you or your affiliates operate. The initial training program includes the following:

(1) If the Franchised Business is your or your affiliates' first Tide Laundromat Business, then after signing this Agreement and before the Franchised Business opens, your Managing Owner must attend a ~~Owner Training Academy (the "OTA")~~ New Franchisee Orientation (the "NFO") either virtually or at our designated training facility.

(2) If the Franchised Business is your or your affiliates' first Tide Laundromat Business, then before the Franchised Business opens for business, we will train two (2) of your designated attendees (including your Managing Owner) on the material aspects of operating a Tide Laundromat Business. We will provide the initial training program at a designated training facility of our choice and/or at an operating Tide Laundromat Business. Our initial training program currently spans approximately two (2) weeks (excluding the ~~OTA~~NFO and the pre-opening period during which one (1) or more of our representatives may assist in the opening of the Franchised Business, as further discussed below in Section 4.B). The initial training program consists of self-directed, computer-based training courses that your attendees will complete using our web portal at their own locations and/or at the training facility, classroom instruction that we conduct at our corporate offices or a designated training facility of our choice, and on-the-job training at an existing Tide Laundromat Business or other location we designate. Your designated

attendees must successfully complete the self-directed, computer-based training, including any associated knowledge checks or assessments of proficiency that we then require, in order to attend the classroom and on-the-job portions of the initial training program. We may modify any aspect of the initial training program at any time.

(3) Additional people beyond your two (2) designated attendees may attend the initial training program if you pay our then-current training charge(s) for each additional attendee. You also agree to pay for all travel and living expenses that your designated attendees, owners and other employees incur and for their wages and workers' compensation insurance while they attend any training program.

(4) If any attendee does not feel sufficiently trained in the operation of a Tide Laundromat Business, or if we, in our sole judgment, believe that your attendees are not sufficiently trained in the operation of a Tide Laundromat Business, then we may provide additional training at the end of the initial training program at our then applicable charges for your attendee(s) and our training personnel (collectively, the "Additional Training Fee"). We and you will jointly determine the duration of this additional training. However, if your designated attendee(s) satisfactorily complete our initial training program (excluding the opening phase discussed below in Section 4.B) and your Managing Owner has not expressly informed us at the end of the program that your attendee(s) do not feel sufficiently trained in the operation of a Tide Laundromat Business, then your attendee(s) will be deemed to have been trained sufficiently to operate a Tide Laundromat Business.

(5) Your Managing Owner and designated attendee(s) must complete the initial training program to our satisfaction before you open the Franchised Business for business. If we determine that your Managing Owner or your designated attendee(s) cannot complete the initial training program to our satisfaction, we may terminate this Agreement.

(6) If you or your affiliates already operate a Tide Laundromat Business, you may request authorization to send attendees to our initial training program and you will pay our then-current training charges for each attendee.

#### B. Opening Assistance.

(1) When your first Tide Laundromat Business is ready to open for business, we will, send up to two (2) of our representatives to the Franchised Business for a period of approximately five (5) days to assist with its opening. The number of representatives we send, and the duration of their assistance, will depend on our opinion of your ability, experience, and needs. Your Managing Owner and your employees at the Franchised Business must successfully complete this final phase of the initial training program. If you request, and we agree to provide, additional or special guidance, assistance, or training during this opening phase, you agree to pay our then-applicable Additional Training Fee and other charges, including our personnel's travel and living expenses.

(2) If you or your affiliates already operate a Tide Laundromat Business, you may request opening assistance for the Franchised Business. Subject to our availability, we may send one (1) of our representatives to the Franchised Business for up to five (5) days to assist with the opening of the Franchised Business. The duration of the representative's assistance will depend on our opinion of your ability, experience, and needs. You must pay our then-applicable Additional Training Fee and other charges, including the travel and living expenses of the representative that we send to your Franchised Business.

C. Ongoing Training.

(1) We may require your Managing Owner and/or other previously trained and experienced employees to attend and satisfactorily complete various training courses that we periodically choose to provide at the times and locations that we designate including our quarterly webcasts via webinar. We may charge reasonable registration or similar fees for these courses. We will not require attendance for more than a total of ten (10) days during a calendar year. You agree to pay all travel and living expenses which you and your employees incur during all training courses and programs.

(2) Besides attending these courses, you agree to send at least one (1) representative (which can be your Managing Owner) to attend any annual and/or regional conventions and meetings at locations that we designate. Attendance will not be required at a convention for more than three (3) days during any calendar year. We may charge reasonable registration fees for these conventions and meetings. You agree to pay all costs incurred by your representatives to attend the conventions and meetings.

(3) You agree to assist us in training other Tide Laundromat Business franchise owners. We will reimburse your out-of-pocket expenses for providing this assistance as we may direct.

(4) You understand and agree that any specific ongoing training or advice we provide does not create an obligation (whether by course of dealing or otherwise) to continue to provide such specific training or advice, all of which we may discontinue and modify at any time and from time to time.

(5) If we conduct an assessment and your Franchised Business does not meet our operating standards and requirements, then in addition to your agreement to remedy all of the deficiencies found, we will have the right to conduct additional assessments and to conduct additional training for you at your Franchised Business, and you agree to pay our then-current additional training fee for such training (plus reasonable travel expenses).

D. General Guidance.

(1) We will advise you, at any time and from time to time, regarding the operation of the Franchised Business based on your reports or our assessments and will guide you with respect to: (a) standards, specifications, and operating procedures and methods that Tide Laundromat Businesses use; (b) purchasing required and authorized Operating Assets, Proprietary Products, and other items; (c) advertising and marketing materials and programs; (d) supervisory employee training methods and procedures (although you are solely responsible for the terms and conditions of employment of all Franchised Business employees); and (e) administrative, bookkeeping, accounting, and inventory control procedures.

(2) We will guide you in our Manual; in bulletins, broadcast communications or other written materials; by electronic media; by telephone consultation; and/or at our office or the Franchised Business. If you request, and we agree to provide, additional or special guidance, assistance, or training, you agree to pay our then applicable charges, including our personnel's per diem charges and travel and living expenses.

E. The Manual.

(1) We agree to provide you with access to one (1) copy of our Manual before the starting date of the initial training program for the duration of the Term and at no additional charge to you. The Manual could include audio/video recordings, other electronic media, and/or written materials, and contains the System Standards that we periodically specify for operating a Tide Laundromat Business and

information on your other obligations under this Agreement. We may modify the Manual periodically to reflect changes in System Standards.

(2) We and you agree that any materials or guidance that we provide with respect to employment-related policies or procedures, whether in the Manual or otherwise, are solely for your optional use. Any such materials or guidance do not form part of the System Standards. You will determine to what extent, if any, these materials or guidance should apply to your employees and Franchised Business operations. We and you recognize that we neither dictate nor control labor or employment matters for franchisees and their employees and we are not responsible for the safety and security of Tide Laundromat Business employees or customers. You are solely responsible for determining the terms and conditions of employment for your employees and for all decisions concerning the hiring, firing and discipline of your employees, and for all other aspects of the labor relations and employment practices of the Franchised Business.

(3) At our option, we may post some or all of the Manual on a restricted website or intranet to which you will have access. If we do so, you agree to monitor and access the website or intranet for any updates to the Manual or System Standards. We or our designee will periodically notify you electronically about updates, changes, or deletions to the content posted on the restricted website or intranet. Any passwords or other digital identifications necessary to access the Manual on a website or intranet will be deemed to be Confidential Information (as defined in Section 11.A).

(4) You agree to keep your copy of the Manual current and communicate all updates to your employees in a timely manner. You agree to keep all parts of the Manual in a secure location and restrict access to any passwords we provide to you or you develop for accessing the Manual. If there is a dispute over its contents, our master copy of the Manual controls. You agree that the Manual's contents are confidential and that you will not disclose the Manual to any person other than employees of the Franchised Business who need to know its contents. You may not at any time copy, duplicate, record, or otherwise reproduce any part of the Manual without our prior written consent.

F. Delegation Of Performance. You agree that we have the right to delegate the performance of any portion or all of our obligations under this Agreement to third-party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations. If we do so, such third-party designees will be obligated to perform the delegated functions for you in compliance with this Agreement.

## **5. SYSTEM STANDARDS.**

A. Condition And Appearance Of The Franchised Business. You agree that:

(1) you will maintain the condition, environment (including temperature control vital to the System), appearance, Operating Assets, and the premises of the Franchised Business in accordance with our System Standards and consistent with the image of a Tide Laundromat Business as an efficiently operated business offering high quality products and services and observing the highest standards of cleanliness, sanitation, efficient, prompt, courteous service and pleasant ambiance. Accordingly, you will take, without limitation, the following actions during the term of this Agreement: (a) thorough cleaning, repainting and redecorating of the interior and exterior of the Franchised Business at intervals we prescribe; (b) interior and exterior repair of the Franchised Business; and (c) repair or replacement of damaged, worn out or obsolete Operating Assets;



(2) you will place or display at the Franchised Location (interior and exterior) only those signs (including neon), emblems, designs, artwork, lettering, logos, and display and advertising materials that we may at any time, and from time to time, approve;

(3) if at any time in our reasonable judgment, the general state of repair, appearance or cleanliness of the Franchised Business or its fixtures, furnishings, equipment or signs does not meet our standards, we have the right to notify you and specify the action(s) you must take to correct the deficiency. If you do not initiate appropriate action(s) to correct such deficiencies within ten (10) days after you receive our notice, and then continue, in good faith and with due diligence, a bona fide program to complete any required maintenance or refurbishing, then we have the right, in addition to all other remedies, to enter the Franchised Business and perform any required maintenance or refurbishing on your behalf, and you agree to reimburse us on demand for any expenses we incur in that connection; and

(4) on notice from us, you agree to remodel, expand, redecorate, re-equip and/or refurbish the Franchised Business to reflect changes in the operations of Tide Laundromat Businesses that we prescribe and require of new franchisees.

B. Franchised Business Services, Products, Specifications, Standards And Procedures. You agree that: (1) the Franchised Business will offer for sale all products and services that we specify from time to time, and will only use Proprietary Products and Proprietary Processes and other cleaning methods or supplies that we have periodically specified or approved; (2) the Franchised Business will offer and sell approved products and services only in the manner we have prescribed; (3) you will not offer for sale or sell at the Franchised Business, the Franchised Location or any other location or through Delivery Services any products or services we have not approved; (4) all products will be offered and sold only at retail prices and from the Franchised Location, and you will not offer or sell any products at wholesale prices; (5) you will discontinue selling and offering for sale any products or services that we at any time decide (in our sole judgment) to disapprove in writing; and (6) that we have a right to receive information about the operation of the Franchised Business directly from any designated or approved supplier with whom you contract, deal, or otherwise arrange to receive products or services related to the operation of the Franchised Business, including, but not limited to, inventory and purchasing records concerning the materials usage of the Franchised Business, and that you expressly acknowledge our right hereunder by signing the attached **Exhibit C** in conjunction with this Agreement.

C. Approved Products, Distributors And Suppliers.

(1) We have developed or may develop and periodically modify standards and specifications for types, models and brands of required Operating Assets, Proprietary Products, other products, agents, solvents, detergents, softeners, bleach, dryer sheets, materials, signage, uniforms, and supplies. We reserve the right at any time and from time to time to approve specifications or suppliers and distributors of the above products that meet our reasonable standards and requirements. If we do so, you agree to purchase only such products meeting those specifications, and if we require it, only from distributors and other suppliers we have approved, which might include or be limited to us or our affiliates.

(2) We may designate a single distributor or supplier (collectively “supplier”) for any product, service, equipment, supply or material and may approve a supplier or distributor only as to certain products, services, equipment, supplies or materials. The designated supplier may be us, one of our affiliates, or a designated third party. Unless we specify otherwise, you agree to purchase from us, our affiliate, or our designated suppliers all cleaning products, agents, equipment, technologies, detergents, video recordings, electronic media, and other consumer products used at, used by, or available for sale at the Franchised Business if we or they manufacture, distribute, or can otherwise provide such products.



(3) We and our affiliates may receive payments from suppliers on account of such suppliers' dealings with you and other Tide Laundromat Businesses, and may use any amounts so received without restriction and for any purpose we and our affiliates deem appropriate. We or our affiliates may concentrate purchases with one or more suppliers or distributors to obtain lower prices or the best advertising support or services for any other reason. Our approval of a supplier or distributor may be conditioned on requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations, customer relations, frequency of delivery, concentration of purchases, standards of service, including prompt attention to complaints, or other criteria and may be temporary, pending our continued evaluation of the supplier or distributor from time to time.

(4) If you would like to purchase any items we prescribe from any unapproved supplier or distributor, you must submit to us a written request for approval of the proposed supplier or distributor. We may approve, or deny approval of, your request at our sole option, using our or our affiliate's corporate evaluation process, and will notify you of our approval or disapproval within one hundred eighty (180) days of our receipt of your written request. If you do not receive our approval within this time period, your request will be deemed to have been denied. We have the right to inspect the proposed supplier's or distributor's facilities, and to require product samples from the proposed supplier or distributor to be delivered, at our option, either directly to us or to any independent, certified laboratory that we designate for testing. Either you or the proposed supplier or distributor must pay us a fee (not to exceed the reasonable cost of the inspection and the actual cost of the test) to make the evaluation. We reserve the right to periodically re-inspect the facilities and products of any approved supplier or distributor and to revoke our approval if the supplier or distributor does not continue to meet any of our criteria. We also reserve the right to charge manufacturers or suppliers a royalty fee for the right to manufacture products for use in Tide Laundromat Businesses. If we approve any supplier or distributor you recommend from which you purchase or lease any items or other products or services, you agree that we are authorized to allow other Tide Laundromat Businesses to purchase or lease any items or other products or services from these suppliers or distributors, without limitation, and without compensation to you. Notwithstanding the foregoing, we may limit the number of approved suppliers and/or distributors with whom you may deal, designate sources that you must use, and/or refuse any of your requests for any reason, including that we have already designated any exclusive source (which might be us or our affiliate) for a particular item or service or if we believe that doing so is in the best interests of the Tide Laundromat Business System.

(5) We and our affiliates have developed or acquired the right to use specially formulated and prepared Proprietary Products for use in the operation of Tide Laundromat Businesses. You must use only the Proprietary Products and we will not approve any other products as substitutes or replacements for the Proprietary Products. Currently, you must purchase certain Proprietary Products we designate from us or our affiliate or a designated third party.

D. Compliance With Laws And Good Business Practices. You must secure and maintain in force all required licenses, permits and certificates relating to the operation of the Franchised Business and must operate the Franchised Business in full compliance with all applicable laws, ordinances and regulations, including government regulations relating to occupational hazards, health, environment, worker's compensation and unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales and service taxes. All advertising and promotion by you must be completely factual and must conform to the highest standards of ethical advertising. The Franchised Business must in all dealings with its customers, suppliers, us and the public adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or advertising practice which may be injurious to our business and the goodwill associated with the Marks, the System, and other Tide Laundromat Businesses. You must notify us in writing within five (5) 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 your

operation or financial condition or that of the Franchised Business and of any notice of violation of any law, ordinance, or regulation relating to the Franchised Business.

E. Management Of The Franchised Business/Conflicting Interests. Except as provided below, your Managing Owner must act as the general manager of the Franchised Business with responsibility for direct, on-premises supervision of the Franchised Business. You must keep us informed at all times of the identity of any supervisory employee(s) acting as assistant manager(s) of the Franchised Business. Your Managing Owner must devote full time and efforts to the management and supervision of the Franchised Business. However, if the Franchised Business is one of multiple Tide Laundromat Businesses that you (or your affiliates) own, or if we otherwise allow (in our sole judgment) upon your written request, then you may operate the Franchised Business under the direct on-premises supervision of a general manager we have approved and who has completed our required initial training programs (including any replacement general manager during the Term).

F. Insurance. During the Term, you must maintain in force at your sole expense all insurance policies that we require in the Manual in connection with the operation of the Franchised Business, which shall contain the minimum liability coverage we periodically specify. Such insurance coverage must specifically include promotional events or other business activities in connection with the Franchised Business. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverages (including reasonable excess liability insurance) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. These insurance policies must name us and any affiliates we designate as additional named insureds and provide for thirty (30) days' prior written notice to us of a policy's material modification, cancellation or expiration. You routinely must furnish us copies of your certificates of insurance or other evidence of your maintaining this insurance coverage and paying premiums. If you fail or refuse to obtain and maintain the insurance we specify, in addition to our other remedies, we may (but need not) obtain such insurance for you and the Franchised Business on your behalf, in which event you shall cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee for our time incurred in obtaining such insurance.

G. Pricing. You agree that we may set reasonable restrictions on the maximum and minimum prices you may charge for the products and services (subject to applicable law) offered and sold at the Franchised Business under this Agreement. With respect to the sale of all such products and services, you will have sole discretion as to the prices to be charged to customers; provided, however, that we will have the right to set maximum or minimum prices on such items (subject to applicable law), to promote inter-brand competition. If we impose a maximum price on a particular item, then (subject to applicable law) you may charge any price for that item, up to and including the maximum price we have set. If we impose a minimum price on a particular item, then you may charge any price for that item (subject to applicable law), down to and including the minimum price that we have set.

H. Delivery Services. You may not offer and provide remote pick-up, delivery, or similar services (collectively, "Delivery Services") in connection with the Franchised Business without our express written approval. You must: (1) obtain our prior written approval to offer Delivery Services; (2) comply with our System Standards and other standards that we periodically specify relating to Delivery Services; and (3) provide Delivery Services directly to end user customers only through your employees and you may not use independent contractors to provide those services; (4) obtain and brand a vehicle approved by us for use in providing the Delivery Services. If authorized, you will only provide Delivery Services within the Territory for your Franchised Business (unless we specify a smaller Delivery Services area in writing). You acknowledge and agree that we may, at any time and from time to time, and for any or no reason, change the definition of the Delivery Services area and, in particular, reduce its size. If we ever decide to

do so, you agree immediately to provide Delivery Services only within the newly-defined delivery area (if any). If you fail to do so, then in addition to our other rights and remedies, we may immediately terminate your right to provide any Delivery Services anywhere. You further acknowledge and agree that the Delivery Services area is not exclusive and that we may engage, and/or allow other franchisees and third parties to engage, in any activities we desire within the Delivery Services area without any restrictions whatsoever, except as expressly set forth in Section 1.D. We also have the right to review requests for Delivery Services outside the defined Delivery Services area and may, on a temporary basis, give our approval for those Delivery Services or revoke our approval (which will be written). We will not be liable for any reduction in your sales as a result of these activities.

I. Compliance With System Standards. You acknowledge and agree that operating and maintaining the Franchised Business according to our System Standards are essential to preserve the goodwill of the Marks and all Tide Laundromat Businesses. Therefore, you agree at all times to operate and maintain the Franchised Business according to all of our System Standards, however communicated to you in writing or another tangible form (for example, as presented in the Manual or via the System intranet or website) and as we periodically modify and supplement them, even if you believe that a System Standard, as originally issued or subsequently modified, is not in the best interests of the System or the Franchised Business. Although we retain the right to establish and periodically modify System Standards that you have agreed to maintain, you retain the right to and responsibility for the day-to-day management and operation of the Franchised Business and implementing and maintaining System Standards at the Franchised Business. As examples, and without limitation, System Standards may regulate any one or more of the following, in addition to the items described in Sections 5.A through 5.H above:

(1) purchase, storage, preparation, handling, and packaging procedures and techniques for Proprietary Products and other products and supplies; and inventory requirements for Proprietary Products and other products and supplies so that the Franchised Business may operate at full capacity;

(2) terms and conditions of the sale and delivery of, and terms and methods of payment for, Proprietary Products and other products and services that you obtain from us and affiliated and unaffiliated suppliers, including your obligation to purchase and use, to the maximum extent possible, only products marketed under trademarks that we or our affiliates own (whether or not you acquire such branded products from us, our affiliates, a designated third party supplier, or a third party supplier you choose) as we may prescribe; and our and our affiliates' right not to sell you any Proprietary Products or other products, or to provide you with services, or to do so only on a "cash-on-delivery" or other basis, if you are in default under any agreement with us;

(3) Delivery Services, including your obligation to deliver products and services to customers in your delivery area only with your own employed delivery drivers in compliance with our procedures and not through third-party delivery services or systems; driver qualifications; and your obligation to total and account for (in the manner we specify) Delivery Services charges not included in the price of the Franchised Business's products and services; and specifications of the vehicle, including make and model of the vehicle, required insurance coverage, and exterior wrap design of the vehicle acquired from an approved vendor;

(4) sales, marketing, advertising, customer relations, and promotional programs, including any materials and media used in these programs;

(5) use and display of the Marks at the Franchised Business, price boards, laundry bags, labels, forms, paper and plastic products, and other supplies or services used at or by the Franchised Business;

(6) issuing and honoring gift certificates, gift cards, reward programs, and other payment mechanisms;

(7) manner of identifying the personnel of the Franchised Business and employee training, dress, and appearance. However, you have sole responsibility and authority for your labor relations, including, among other things, employee selection, promotion, termination, hours worked, rates of pay, benefits, work assigned, and working conditions. Your employees are under your day-to-day control at the Franchised Business. You must communicate clearly with your employees in your employment agreements, human resource manuals, written and electronic correspondence, paychecks, and other materials that you (and only you) are their employer and that we, as the franchisor of Tide Laundromat Businesses, are not their employer and do not engage in any employer-type activities (including those described above) for which only franchisees are responsible. Any information we provide concerning employment-related policies and procedures, or relating to the terms and conditions of employment for Tide Laundromat Business employees, is for your optional use;

(8) days and hours of operation, including restrictions and policies governing operation or temporary closing of the Franchised Business during periods of inclement weather;

(9) participation in market research and testing and product and service development programs as well as participation in, and dues assessed for, advisory councils;

(10) accepting credit and debit cards, mobile application, electronic and other payment systems;

(11) bookkeeping, accounting, data processing, and recordkeeping systems and forms; formats, content, and frequency of reports to us of sales, revenue, financial performance, and condition; and giving us copies of tax returns and other operating and financial information concerning the Franchised Business;

(12) the provision of efficient, courteous, competent, prompt, and high-quality service to the public;

(13) customer service programs, reward programs, mystery shopper programs, and customer complaints and resolution programs (including reimbursing dissatisfied customers for their reasonable costs of patronage at the Franchised Business and participating in other customer-satisfaction programs in the manner we periodically specify);

(14) mobile application, point of sale, and technology systems; and

(15) any other aspects of operating and maintaining the Franchised Business that we determine to be useful to preserve or enhance the efficient operation, image, or goodwill of the Marks and Tide Laundromat Businesses.

J. Modification Of System Standards. We periodically may modify the System Standards, which may accommodate regional or local variations, and these modifications may obligate you to invest additional capital in the Franchised Business and/or incur higher operating costs. You agree to implement any changes in the System Standards within the time period we request, whether they involve refurbishing or remodeling the Franchised Location or any other aspect of the Franchised Business, buying new Operating Assets, adding new products and services, or otherwise modifying the nature of your operations, as if they were part of this Agreement as of the Effective Date.

K. Our Right To Conduct An Assessment Of The Franchised Business. To determine whether you and the Franchised Business are complying with this Agreement and all System Standards, we and our designated agents or representatives may at all times and without prior notice to you: (1) inspect the Franchised Business; (2) photograph the Franchised Business and observe and record the operation of the Franchised Business for consecutive or intermittent periods we deem necessary; (3) remove samples of any products and supplies; (4) interview the personnel and customers of the Franchised Business; (5) inspect and copy any books, records, and documents relating to the operation of the Franchised Business; and (6) contact suppliers of products and services to the Franchised Business to obtain relevant information about the operations, inventory and materials usage of the Franchised Business. You agree to cooperate with us fully. If we exercise any of these rights, we will not interfere unreasonably with the operation of the Franchised Business. Without limiting our other rights and remedies under this Agreement, you agree promptly to correct at your own expense all failures to comply with this Agreement (including any System Standards) that our agents or representatives note within the time period we specify following your receipt of our notice. We then may conduct one or more follow-up assessments to confirm that you have corrected these deficiencies and otherwise are complying with this Agreement and all System Standards. We may charge you an assessment fee to compensate us for our costs and expenses during any such follow-up assessment or any assessment that you request.

## 6. MARKETING.

A. New Store Marketing. You must spend at least Fifteen Thousand Dollars (\$15,000) to advertise and promote the Franchised Business (the “New Store Marketing Expense”) during the new store opening period that we designate (the “Opening Period”). The Opening Period typically covers the period from one (1) month before through two (2) months after the Opening Date (or up to about three (3) total months), subject to changes we may allow based on the particular market area or other unique circumstances of the Franchised Business, including our approval of an advanced written request that you may submit to us requesting such a change. At least ninety (90) days prior to the opening of the Franchised Business, you must submit a marketing plan (“New Store Marketing Plan”) to us outlining your proposal to advertise and promote the Franchised Business during the Opening Period. You may not implement the New Store Marketing Plan unless and until we have consented to the New Store Marketing Plan in writing. You agree to modify the New Store Marketing Plan as requested by us and, thereafter, no substantial changes shall be made to the New Store Marketing Plan without our advance written consent. Within ten (10) days after the end of the Opening Period, you must submit proof that you spent the New Store Marketing Expense implementing the New Store Marketing Plan.

### B. Brand Development Fund.

(1) Recognizing the value of advertising and marketing to the goodwill and public image of Tide Laundromat Businesses, we have established a centralized Brand Development Fund (the “Fund”) for the advertising, marketing, and public relations programs and materials we deem appropriate. You agree to make the Fund Contribution at the same time and in the same manner as the Royalty or in such other manner as we periodically specify. Tide Laundromat Businesses that we or our affiliates own will contribute to the Fund on the same basis as franchisees.

(2) We have the right to collect for deposit into the Fund any advertising, marketing, or similar allowances paid to us by suppliers who deal with Tide Laundromat Businesses and with whom we have agreed that we will so deposit these allowances. (These payments are different from those which are not designated by suppliers to be used exclusively for advertising or similar purposes and which we and our affiliates therefore may use for any purposes we and they deem appropriate, as provided in Section 5.C above).



(3) We will direct all programs that the Fund finances, with sole control over the creative concepts, materials, and endorsements used and their geographic, market, and media placement and allocation. The Fund may pay for preparing and producing video, audio, and written materials and electronic media; developing, implementing, and maintaining an electronic commerce website and/or related strategies; taxes on Fund Contributions; administering regional, multi-regional and/or national marketing and advertising programs, including purchasing trade journal, direct mail, and other media advertising and using advertising, promotion, and marketing agencies and other advisors to provide assistance; and supporting public relations, market research, and other advertising, promotion, and marketing activities.

(4) The Fund periodically will give you samples of advertising, marketing, and promotional formats and materials at no cost. We will sell you multiple copies of these materials at our direct cost of producing them, plus any related shipping, handling, and storage charges.

(5) We will account for the Fund separately from our other funds and not use the Fund for any of our general operating expenses. However, we may use the Fund to pay the reasonable salaries and benefits of personnel who manage and administer the Fund, the Fund's other administrative costs, travel expenses of personnel while they are on Fund business, meeting costs, overhead relating to Fund business, and other expenses that we incur in activities reasonably related to administering or directing the Fund and its programs, including conducting market research, public relations, preparing advertising, promotion, and marketing materials, and collecting and accounting for Fund Contributions.

(6) The Fund will not be our asset. Although the Fund is not a trust, we will hold all Fund Contributions for the benefit of the contributors and use Fund Contributions only for the purposes described in this Section 6.B. We do not owe any fiduciary obligation to you for administering the Fund or any other reason. The Fund may spend in any fiscal year more or less than the total Fund Contributions in that year paid by all Tide Laundromat Businesses, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. If the Fund spends more than the total amounts available in a given year (regardless of when those amounts accrued), the Fund may repay the difference plus reasonable interest to us (or another entity that covered the deficit) using Contributions received by the Fund in the following or later year. We will use all interest earned on Contributions to pay costs before using the Fund's other assets.

(7) We will prepare an annual, unaudited statement of Fund collections and expenses and give you the statement upon written request. We may (but are not required to) have the Fund audited annually, at the Fund's expense, by an independent certified public accountant. We may incorporate the Fund or operate it through a separate entity whenever we deem appropriate, in which case the successor entity will have all of the rights and duties specified in this Section 6.B.

(8) We intend for the Fund to maximize recognition of the Marks and patronage of Tide Laundromat Businesses. Although we will try to use the Fund to develop advertising and marketing materials and programs, and to place advertising and marketing, in a manner that will benefit all Tide Laundromat Businesses, we need not ensure that Fund expenditures in or affecting any geographic area are proportionate or equivalent to contributions made by Tide Laundromat Businesses operating in that geographic area, or that any individual Tide Laundromat Business benefits directly (or in proportion to its contribution) from the development of advertising and marketing materials and/or the placement of advertising and marketing.

(9) We have the right, but no obligation, to use collection agents and institute legal proceedings to collect contributions at the Fund's expense. We also may forgive, waive, settle, and compromise any claims by or against the Fund. Except as expressly provided in this Section 6.B, we assume

no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Fund.

(10) We may at any time defer or reduce contributions of a Tide Laundromat Business and, upon thirty (30) days' prior written notice to you, reduce or suspend contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Fund. If we terminate the Fund, we will distribute all unspent monies to our franchise owners, and to us and our affiliates, in proportion to their and our respective contributions during the preceding twelve (12) month period.

C. Your Local Marketing.

(1) In addition to your new store opening obligations in Section 6.A above and your Fund Contribution obligations in Section 6.B above, you agree to spend at least one percent (1%) of the Net Sales of the Franchised Business to advertise and promote the Franchised Business (the "Local Advertising Expenditures"), provided that your Local Advertising Expenditures may be offset (whether partially or fully, as applicable) by the amount of the applicable Co-op Dues (as defined in Section 6.D), if any, that you must pay pursuant to Section 6.D. Within thirty (30) days after the end of each calendar quarter, you agree to send us, in the manner we prescribe, an accounting of your expenditures for local advertising and promotion during the preceding calendar quarter. Effective on thirty (30) days' advance written notice to you, we may require you to pay all or a portion of your Local Advertising Expenditures to us and we will use these funds to advertise and promote your Franchised Business.

(2) Your local advertising and promotion must follow our guidelines. All advertising and promotional materials that you develop for the Franchised Business must contain notices of our website's domain name in the manner we designate. You may not develop, maintain, or authorize any website that mentions or describes you or the Franchised Business or displays any of the Marks. You agree that your advertising, promotion, and marketing will be completely clear, factual, and not misleading and conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe from time to time.

(3) If you are not using approved marketing materials from our marketing platform, then before you use them, you agree to send us or our designated agency, for our or its approval, physical samples of all advertising, promotional, and marketing materials which we have not prepared or previously approved. If you do not receive written approval within thirty (30) days after we or our designated agency receives the materials, they are deemed to be disapproved. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved.

D. Cooperative Advertising Programs.

(1) We may designate an Advertising Coverage Area ("ACA") — local or regional — in which Tide Laundromat Businesses are located in order to establish a cooperative advertising program ("Cooperative Program") for that ACA. An ACA is the area covered by the particular advertising medium recognized in the industry or as we may otherwise prescribe based on a Designated Marketing Area ("DMA") or other method. Franchise owners in the ACA will be required to participate in a Cooperative Program if one is established in that ACA. The members of the Cooperative Program in an ACA will be all of the Tide Laundromat Businesses located in that ACA, including those operated by us and our affiliates. Each Tide Laundromat Business participating in a Cooperative Program will have one (1) vote.

(2) If a Cooperative Program is established for your ACA, you will be required to contribute, on a monthly basis, at least one percent (1%) of the Net Sales of your Franchised Business for the prior month (the "Co-op Dues") to that ACA's Cooperative Program. Your actual Co-op Dues, and any

increases in the amount of the Co-op Dues or changes in the applicable rules of contribution, will be determined by a vote of sixty-seven percent (67%) or more of all Tide Laundromat Businesses participating in the ACA's Cooperative Program, including any Tide Laundromat Businesses operated by us or our affiliates, subject to our approval. Any Co-op Dues you contribute will count toward the Local Advertising Expenditures you are required to spend under Section 6.C to promote the Franchised Business, but in no event will your amounts contributed to a Cooperative Program affect your new store opening financial and advertising obligations required under Section 6.A or your required Contributions to the Fund.

(3) If your ACA's Cooperative Program votes to increase the Co-op Dues above one percent (1%) of the Net Sales of your Franchised Business, and you fail or refuse to contribute the increased Co-op Dues to the ACA's Cooperative Program, the Cooperative Program may suspend your voting rights and other privileges relating to the Cooperative Program until you begin contributing the increased Co-op Dues and pay all past-due Co-op Dues.

## **7. RECORDKEEPING AND REPORTS.**

### **A. Recordkeeping And Reports.**

(1) You agree to establish and maintain at your own expense a bookkeeping, accounting, and recordkeeping system conforming to the requirements and formats we specify from time to time. We may require you to use a Computer System to maintain certain sales data, Customer Data (as defined in Section 7.B), and other information and to report such information to us via a website or other means. You agree to give us in the manner and format that we prescribe from time to time:

(a) on or before Wednesday of each week, a report on the Net Sales of the Franchised Business during the week ending on the preceding Sunday, should we so request, in lieu of extracting such data from the Computer System;

(b) within fifteen (15) days after the end of each calendar month, the operating statements, financial statements, statistical reports, purchase records, and other information we request regarding you and the Franchised Business covering the previous calendar month and the fiscal year to date;

(c) by April 15<sup>th</sup> of each year, annual profit and loss and source and use of funds statements and a balance sheet for the Franchised Business as of the end of the prior calendar year; and

(d) within ten (10) days after our request, exact copies of federal and state income tax returns, sales tax returns, and any other forms, records, books, and other information we periodically require relating to the Franchised Business and the Franchise.

(2) You agree to verify and sign each report and financial statement in the manner we periodically specify. We may disclose data derived from these reports, although we will not without your consent (unless required by law) disclose your identity in any materials that we circulate publicly. Moreover, we may, as often as we deem appropriate (including on a daily basis), access the Computer System and retrieve all information relating to the operation of the Franchised Business, which may include all Customer Data or financial information available on the Computer System.

(3) You agree to preserve and maintain all records in a secure location at the Franchised Business for at least three (3) years after the end of the fiscal year to which such records relate, or for such time as required by applicable law (including sales checks, purchase orders, invoices, payroll



records, customer lists, check stubs, sales tax records and returns, cash receipts and disbursement journals, and general ledgers). We may require you to have audited financial statements prepared annually during this Agreement's Term if we reasonably deem it necessary for purposes of verifying your compliance with this Agreement.

**B. Data and Privacy.**

(1) You must comply with any reasonable instructions by us regarding the organizational, physical, administrative and technical measures and security procedures to safeguard the confidentiality and security of the names, addresses, telephone numbers, e-mail addresses, dates of birth, demographic or related information, and credit card information of previous, current and prospective customers of the Franchised Business ("Customer Data") and, in any event, employ reasonable means to safeguard the confidentiality and security of Customer Data. You must comply with all applicable laws governing the use, protection, and disclosure of Customer Data. If there is a suspected or actual breach of security or unauthorized access involving Customer Data, you must notify us immediately after becoming aware of such actual or suspected occurrence and specify the extent to which Customer Data was compromised or disclosed.

(2) Subject to any applicable state or federal laws, you acknowledge and agree that we may access at any time and from time to time all Customer Data and records for the Franchised Business located on the Computer System. You further acknowledge and agree that we are the sole owners of Customer Data and that you may not distribute or sell, in any form or manner, Customer Data to any third party without our prior written consent. We hereby license use of such Customer Data back to you, at no additional cost, solely for the Term and solely for your use in connection with the Franchised Business. We and our affiliates may use Customer Data in our and their business activities in any manner that we or they deem necessary or appropriate.

(3) In connection with any use of data in the Franchised Business, you agree to comply with all applicable laws pertaining to the privacy of customer, employee, and transactional information ("Privacy Laws"). You also agree to comply with our standards and policies pertaining to Privacy Laws. If there is a conflict between our standards and policies pertaining to Privacy Laws and actual applicable law, you will: (a) comply with the requirements of applicable law; (b) immediately give us written notice of said conflict; and (c) promptly and fully cooperate with us and our counsel in determining the most effective way, if any, to meet our standards and policies pertaining to Privacy Laws within the bounds of applicable law.

**C. Our Right To Audit.** To determine whether you and the Franchised Business are complying with this Agreement, we may at any time during your business hours, and without prior notice to you, examine your and the Franchised Business's business, bookkeeping, and accounting records, sales and income tax records and returns, and other records. You agree to cooperate fully with our representatives and independent accountants in any examination. If any examination discloses an understatement of the Net Sales of the Franchised Business, you agree to pay us, within fifteen (15) days after receiving the examination report, the Royalty and Fund Contributions due on the amount of the understatement, plus our interest in the amount of one and one-half percent (1.5%) per month (or prorated, as applicable) on the understated amounts from the date originally due until the date of payment. Furthermore, if an audit or other similar examination (collectively, for purposes of this paragraph, an "examination") is necessary due to your failure to furnish reports, supporting records, or other information as required, or to furnish these items on a timely basis, or if our examination reveals a Royalty or Fund Contribution understatement exceeding two percent (2%) of the amount that you actually reported to us for the period examined, you agree to reimburse us for the costs of the examination, including the charges of attorneys and independent

accountants and the travel expenses, room and board, and compensation of our employees. These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

D. Our Right To Lender Notification And Communication. You must send us current information regarding the name, address, and telephone number of any financial institution or other financier that provided or is providing the financing enabling you to purchase or operate the Franchised Business (each, a “Lender”), the name and telephone number of your contact at the Lender, and the updated terms of financing. You must also notify us in writing within five (5) days following (1) any change in the Lender’s information, (2) the financing terms extended to you for the Franchised Business, or (3) any default by you under any agreement between you and the Lender. You further agree that we have the right to communicate with your Lender regarding any changes to the financing terms of the Franchised Business, any default by you under an agreement with the Lender, or any change in your financial condition, provided that we reasonably notify you of any such communications.

## 8. MARKS.

A. Ownership And Goodwill Of The Marks. Our affiliate and/or designated third-party licensors have assigned ownership or granted licensing rights in the Marks to us to use in connection with the franchising, development, and operation of Tide Laundromat Businesses. We hereby grant you a sublicense to use the Marks in operating the Franchised Business in accordance with the terms and conditions of this Agreement. Your right to use the Marks is derived only from this Agreement and is limited to your operating the Franchised Business according to this Agreement and all System Standards we prescribe during its Term. Your unauthorized use of the Marks is a breach of this Agreement and infringes our, our affiliate’s and/or licensor’s rights in the Marks. You acknowledge and agree that your use of the Marks and any goodwill established by that use are exclusively for our and their benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the right to operate the Franchised Business under this Agreement). All provisions of this Agreement relating to the Marks apply to any additional proprietary trade and service marks we authorize you to use. You may not at any time during or after this Agreement’s Term contest or assist any other person in contesting the validity, or our and our affiliate’s ownership, of the Marks.

### B. Limitations On Your Use Of The Marks.

(1) You agree to use the Marks as the sole identification of the Franchised Business, except that you agree to identify yourself as its independent owner in the manner we prescribe. You may not use any Mark in any of the following ways: (a) as part of any corporate or legal business name (including any acronyms); (b) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos we have licensed to you); (c) in selling any unauthorized services or products; (d) as part of any domain name, homepage, electronic address, or otherwise in connection with a website; or (e) in any other manner that we have not expressly authorized in writing.

(2) You may not use any Mark in advertising the transfer, sale, or other disposition of the Franchised Business or an ownership interest in you without our prior written consent, which we will not unreasonably withhold. You agree to display the Marks prominently as we prescribe at the Franchised Business and on forms, advertising, supplies, and other materials we designate. You agree to give the notices of trade and service mark registrations that we specify and to obtain any fictitious or assumed name registrations required under applicable law.

C. Notification Of Infringements And Claims. You agree to notify us immediately in writing of any apparent infringement or challenge to your use of any Mark, or of any person’s claim of any rights in any Mark (or any identical or confusingly similar trademark) or claim of unfair competition relating to

any Mark. You agree not to communicate with any person other than us and our licensor, their respective attorneys, and your attorneys regarding any infringement, challenge or claim. We and our licensor may take the action we deem appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office proceeding, or other administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any Mark. You agree to sign any documents and take any other reasonable action that, in the opinion of our (or our licensor's) attorneys, are necessary or advisable to protect and maintain our (and our licensor's) interests in any litigation or U.S. Patent and Trademark Office or other proceeding or otherwise to protect and maintain our (and our licensor's) interests in the Marks. We will reimburse you for your costs of taking any action that we have asked you to take.

D. Discontinuance Of Use Of The Marks. If it becomes advisable at any time for us and/or you to modify or discontinue using any Mark and/or to use one or more additional or substitute trade or service marks, you agree to comply with our directions within a reasonable time after receiving notice. We need not reimburse you for any of your expenses in complying with these directions (such as the costs of changing the signs of the Franchised Business), for any loss of revenue due to any modified or discontinued Mark, or for any of your expenses of promoting a modified or substitute trademark or service mark. Our rights in this Section 8.D apply to any and all of the Marks (and any portion of any Mark) that we authorize you to use in this Agreement. We may exercise these rights at any time and for any reason, business or otherwise, that we think best. You acknowledge both our right to take this action and your obligation to comply with our directions.

E. Reimbursement For Damages From Use Of Marks. We agree to reimburse you for all damages and expenses that you incur in any trademark infringement proceeding disputing your authorized use of any Mark that we or our affiliates own, and for all costs and expenses that you incur in any trademark infringement proceeding disputing your authorized use of any Mark that a third party owns, under this Agreement if you have timely notified us of, and comply with our directions in responding to, the proceeding. At our option, we may defend and control the defense of any proceeding arising from your use of any Mark under this Agreement.

## 9. PATENTS.

A. Ownership And License Of Patents. We, our affiliates, and/or designated third parties may develop, own, license, or sublicense patents directed to and covering aspects of the Proprietary Products and the Proprietary Processes for use in connection with the development and operation of Tide Laundromat Businesses (collectively, the "Patents"). We will grant to you under the Patents a license on a non-exclusive and non-transferable basis (subject to the provisions of Section 12 below concerning transfer) to practice the Proprietary Processes and use and sell the Proprietary Products therein described and claimed within your Territory in order to permit you to operate the Franchised Business according to this Agreement and all System Standards.

### B. Limitations On Your Use Of Patents.

(1) You have no right to further sublicense the Patents. Your license to use the Patents remains in effect only during the Term of this Agreement. However, should one (1) or more individual Patents lapse or expire, the license with respect to each individual Patent that lapses or expires will terminate upon the lapse or expiration of that specific Patent.

(2) You have no rights in any Patents owned by us, our affiliates, or designated third parties beyond those described in this Agreement or that we include in the Manual or other communications to you regarding the System Standards. We, our affiliates and/or designated third parties have no obligation

to obtain a patent on any pending patent application that may be included in the Patents, or to maintain any Patent in force.

(3) Your unauthorized use of any Patent is a breach of this Agreement and infringes our, our affiliates' and designated third parties' rights in the Patents.

(4) You agree to comply with our instructions on marking any licensed Patents, or similar registrations, on any Proprietary Products in order to preserve all rights and remedies available to us, our affiliates, and designated third parties under law.

C. Notification Of Infringements And Claims. You agree to notify us immediately in writing of any apparent infringement of any Patent, or challenge to your use of any of the Proprietary Products or Proprietary Processes, and not to communicate with any person other than us and our affiliates and designated third parties, their respective attorneys, and your attorneys regarding any infringement, challenge, or claim. We, or our affiliates and designated third parties, may take the actions we deem appropriate (including no action) and exclusively control any litigation, U.S. Patent and Trademark Office proceeding, or other administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any Patent or the use of any of the Proprietary Products or Proprietary Processes. You agree to sign any documents and take any other reasonable action that, in the opinion of our attorneys (and the attorneys of our affiliates and designated third parties), are necessary or advisable to protect and maintain our (and our affiliates' and designated third parties') interests in any litigation, U.S. Patent and Trademark Office action or other proceeding or otherwise to protect and maintain our, our affiliates' and/or designated third parties' interests in the Patents or in the Proprietary Products or Proprietary Processes. We will reimburse you for your costs of taking any action that we have asked you to take. We, or our affiliates or designated third parties, will retain all damages recovered for any infringements of the Patents.

D. Discontinuance Of Use Of Proprietary Products And Proprietary Processes. If it becomes advisable at any time for us and/or you to modify or discontinue using any of the Proprietary Products or Proprietary Processes under any Patents licensed herein, you agree to comply with our directions within a reasonable time after receiving notice. We need not reimburse you for any of your expenses in complying with these directions (such as the costs of modifying, updating, or changing any of these items) or for any loss of revenue due to any modification or discontinuation in their use. Our rights in this Section 9.D apply to all of the Proprietary Products and Proprietary Processes that we authorize you to use under any Patents in connection with the System. We may exercise these rights at any time and for any reason, business or otherwise, that we think best. You acknowledge both our right to take this action and your obligation to comply with our directions.

E. Disclaimers On Practice Of Patents. Neither we nor our affiliates warrant the validity of any of any licensed Patents. Neither we nor they warrant (whether expressly or impliedly) that the practice of any licensed Patents is not currently limited, or will not be limited in the future, by the intellectual property rights of third parties. At our option, we may defend and control the defense of any proceeding arising from your use of any Proprietary Product or Proprietary Process under any licensed Patents, but we are not obligated to provide indemnification.

## **10. YOUR ORGANIZATION AND MANAGEMENT.**

A. Entity Documents and Ownership. If you are at any time a corporation, limited liability company, or other business legal entity (collectively, an "Entity"), you agree and represent that:

(1) You will have the authority to execute, deliver, and perform your obligations under this Agreement and all related agreements and are duly organized or formed, validly existing and in good standing under the laws of the state of your incorporation or formation;

(2) You will provide us with a copy of your organizational documents, operating agreement, or partnership agreement, as applicable, which shall recite that this Agreement restricts the issuance and transfer of any ownership interests in you, and all certificates and other documents representing ownership interests in you will bear a legend referring to this Agreement's restrictions;

(3) **Exhibit A** to this Agreement completely and accurately describes all of your owners and their interests in you as of the Effective Date;

(4) Subject to our rights and your obligations under Section 12, you and your owners agree to sign and deliver to us a revised **Exhibit A** to reflect any permitted changes in the information that **Exhibit A** now contains; and

(5) The Franchised Business and other Tide Laundromat Businesses, if applicable, will be the only businesses you operate (although your owners may have other, non-Competitive Business interests).

B. **Managing Owner.** You will appoint one (1) of your owners to be your "Managing Owner" that will be responsible for overseeing and supervising the operation of the Franchised Business. The Managing Owner as of the Effective Date is identified in **Exhibit A**. You may not change the Managing Owner without our prior written consent. Any replacement Managing Owner must attend and successfully complete our initial training program at your sole cost and expense.

C. **Guaranty.** Each of your owners during the Term and their spouses will execute a guaranty in the form we prescribe undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us. You acknowledge that, unless otherwise agreed to in writing by us, it is our intent to have individuals (and not corporations, limited liability companies or other entities) sign the guaranty. Accordingly, if any owner is not an individual, we shall have the right to require individuals who have only an indirect ownership interest in you to sign the guaranty. (By way of example, if an owner is a corporation, we have the right to require individuals who have an ownership interest in that corporation to sign the guaranty.)

## **11. CONFIDENTIAL INFORMATION AND COVENANTS.**

### **A. Confidential Information.**

(1) We possess (and will continue to develop and acquire) certain confidential information, some of which constitutes trade secrets under applicable law, relating to developing and operating Tide Laundromat Businesses ("Confidential Information"), including:

- (a) site selection criteria;
- (b) formulas and related information regarding Proprietary Products, Proprietary Processes, Patents, and related know-how;
- (c) training and operations materials and manuals;

(d) contracts, agreements, documents, correspondence, and other materials relating to the System or the operation of Tide Laundromat Businesses;

(e) methods, formats, specifications, standards, systems, procedures, products, forms, document terms, sales and marketing techniques, knowledge, and experience used in developing and operating Tide Laundromat Businesses;

(f) marketing and advertising programs for Tide Laundromat Businesses;

(g) knowledge of specifications for and suppliers of Operating Assets, Proprietary Products, Proprietary Processes, and other products, services, supplies and equipment;

(h) any computer software or similar technology which is proprietary to us or the System, including digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology;

(i) knowledge of the operating results and financial performance of Tide Laundromat Businesses other than the Franchised Business;

(j) graphic designs and related intellectual property; and

(k) other non-public information relating to the Tide Laundromat franchise opportunity that was disclosed to you on a confidential basis, or under a confidentiality agreement with us, our affiliates, or a designated third party, prior to the Effective Date of this Agreement.

(2) You acknowledge and agree that you will not acquire any interest in Confidential Information, other than the right to use it as we specify in operating the Franchised Business during the Term, and that Confidential Information is proprietary, includes our and our affiliates' trade secrets, and is disclosed to you only on the condition that you agree, and you in fact do agree, that you:

(a) will not disclose or use Confidential Information in any other business or capacity;

(b) will keep each item deemed to be part of Confidential Information absolutely confidential, both during the Term and then thereafter for as long as the item is not generally known in the laundered garment industry or consumer products industry;

(c) will not make unauthorized copies of any Confidential Information disclosed via electronic medium or in written or other tangible form;

(d) will adopt and implement reasonable procedures to prevent unauthorized use or disclosure of Confidential Information, including restricting its disclosure only to those personnel providing services to customers at the Franchised Business and otherwise administering certain operations at the Franchised Business (collectively, "Franchised Business personnel") and others having a need to know such Confidential Information and using non-disclosure and non-competition agreements with those having access to Confidential Information. We have the right to regulate the form of agreements that you use and to be a third party beneficiary of those agreements with independent enforcement rights; and

(e) will not sell, trade or otherwise profit in any way from Confidential Information, except during the Term in accordance with this Agreement.



(3) Confidential Information does not include information, knowledge, or know-how that: (a) you can demonstrate lawfully came to your attention before we provided it to you directly or indirectly; or (b) at the time we disclosed it to you, already had lawfully become generally known in the laundromat and laundry industry or consumer products industry through publication or communication by others (without violating an obligation to us or our affiliates); or (c) after we disclose it to you, lawfully becomes generally known through publication or communication by others (without violating an obligation to us or our affiliates). However, if we include any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that one of the exclusions provided in this paragraph is fulfilled.

B. Innovations. All ideas, concepts, inventions, techniques, information, or materials relating to a Tide Laundromat Business (“Innovations”), whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property and part of the System. These Innovations include improvements to the Proprietary Products and Proprietary Processes that you, we, or designated third parties make during the Term and any and all Customer Data. By this paragraph, you assign ownership of any Innovations, and all related rights to that Innovation, to us and agree to take whatever action (including signing assignment, foreign or domestic registrations, applications, or notifications, or other documents) we request to evidence our ownership or to help us obtain intellectual property rights in such Innovations. You may not use any Innovation in operating the Franchised Business or otherwise without our prior approval.

C. Covenants.

(1) You acknowledge that we have granted you the Franchise in consideration of and reliance upon your agreement to deal exclusively with us with respect to the products and services that Tide Laundromat Businesses offer. You therefore agree that, during the Term and for a two (2) year period following the expiration, transfer or termination of this Agreement or the date on which all persons restricted by this Section 11.C begin to comply with this Section 11.C, whichever is later, neither you, nor any of your owners, nor any of your or your owners’ spouses will:

(a) have any direct or indirect controlling or non-controlling interest as an owner – whether of record, beneficially, or otherwise – in a Competitive Business, wherever located or operating (except that equity ownership of less than two percent (2%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph);

(b) perform services as a director, officer, manager, employee, consultant, representative, or agent for a Competitive Business, wherever located or operating;

(c) divert or attempt to divert any actual or potential business or customer of the Franchised Business or any other Tide Laundromat Business to a Competitive Business; and/or

(d) engage in any other activity which might injure the goodwill of the Marks and System.

(2) The term “Competitive Business” means: (a) any laundry facility, or other business that includes among its services the cleaning of clothing, wearing apparel, household items, textiles, or fabrics and derives, or reasonably expects to derive, more than five percent (5%) of its revenue from selling laundry services or related or derivative products or services (other than a Tide Laundromat Business

operated under a franchise agreement with us); or (b) any business granting franchises or licenses to others to operate the type of business specified in subparagraph (a) above.

(3) During the Term of this Agreement, there is no geographical limitation on these restrictions. During the two (2) year period following the expiration, transfer or termination of this Agreement or the date on which all persons restricted by this Section 11.C begin to comply with this Section 11.C, whichever is later, this restriction shall apply to any Competitive Business located at the Franchised Location or within a five (5) mile radius of the Franchised Location and any Competitive Business located within a five (5) mile radius of any then-existing Tide Laundromat Business.

(4) You agree to obtain similar covenants from the personnel we specify, including officers, directors, managers and other employees attending our training program or having access to Confidential Information. We have the right to regulate the form of agreement that you use and to be a third party beneficiary of that agreement with independent enforcement rights.

(5) If any person restricted by this Section 11.C refuses voluntarily to comply with these obligations, the two (2)-year compliance period for that person will commence with the entry of a court order enforcing this provision. You and your owners expressly acknowledge that any person restricted by this Section 11.C. possesses skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, our enforcing the covenants made in this Section 11.C will not deprive any person restricted by this Section 11.C. of their personal goodwill or ability to earn a living.

(6) We have the right, in our sole discretion, to reduce the scope of any restriction in Section 11.C by giving you written notice and you agree to comply with any covenant so modified, which shall be fully enforceable notwithstanding the provisions of Section 18.A. You agree that the existence of any claims you may have against us, whether or not arising from this Agreement, will not constitute a defense to our enforcement of this Section 11.C.

D. Our Right To Injunctive Relief. You acknowledge that your violation of the terms of this Section 11 would result in irreparable injury to us for which no adequate remedy at law may be available, and you accordingly consent to the issuance of an injunction prohibiting any conduct by you in violation of the terms of this Section 11. Injunctive relief will be in addition to any other remedies we may have.

## **12. TRANSFER.**

A. By Us. You acknowledge that we maintain a staff to manage and operate the System and that staff members can change as employees come and go. You represent that you have not signed this Agreement in reliance on any particular shareholder, director, officer, or employee remaining with us in that capacity. We may change our ownership or form and/or assign this Agreement and any other agreement to a third party without restriction. After our assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement, we no longer will have any performance or other obligations under this Agreement. That assignment will constitute a release and novation with respect to this Agreement, and the new owner-assignee will be liable to you as if it had been an original party to this Agreement.

B. By You.

(1) You understand and acknowledge that the rights and duties this Agreement creates are personal to your owners and that we have granted you the Franchise in reliance upon our perceptions of your owners' individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, none of the following may be transferred without our prior written approval:



- (a) this Agreement (or any interest in this Agreement);
- (b) the Franchised Business (or any right to receive all or a portion of the profits or losses of the Franchised Business or capital appreciation related to the Franchised Business);
- (c) substantially all of the assets of the Franchised Business;
- (d) any ownership interest in you (regardless of its size); or
- (e) any ownership interest in any of your owners (if such owners are legal entities).

(2) A transfer of the Franchised Business's ownership, possession, or control, or substantially all of its assets, may be made only with a transfer of this Agreement. Any transfer without our approval is a breach of this Agreement and has no effect. We will not unreasonably withhold, condition, or delay our approval of a proposed transfer that meets all of the requirements of Section 12 of this Agreement (including, without limitation, the conditions for our approval of transfer contained in Section 12.C below). In this Agreement, the term "transfer" includes a voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition, and including the following events:

- (a) transfer of ownership of capital stock, a partnership or membership interest, or another form of ownership interest;
- (b) merger or consolidation or issuance of additional securities or other forms of ownership interest;
- (c) any sale of a security convertible to an ownership interest;
- (d) transfer of an interest in you, this Agreement, the Franchised Business or substantially all of its assets, or your owners in a divorce, insolvency, or entity dissolution proceeding or otherwise by operation of law;
- (e) if any of your owners or an owner of one of your owners dies, a transfer of an interest in you, this Agreement, the Franchised Business or substantially all of its assets, or your owner(s) by will, declaration of or transfer in trust, or under the laws of intestate succession; or
- (f) pledge of this Agreement (to someone other than us) or of an ownership interest in you or your owners as security, foreclosure upon the Franchised Business, or your transfer, surrender, or loss of the possession, control, or management of the Franchised Business. You may grant a security interest (including a purchase money security interest) in the assets of the Franchised Business (not including this Agreement) to a lender that finances your acquisition, development, and/or operation of the Franchised Business without having to obtain our prior written approval, provided that you give us ten (10) days' prior written notice.

#### C. Conditions For Approval Of Transfer.

(1) If you (and your owners) are fully complying with this Agreement, then, subject to the other provisions of this Section 12, we will approve a transfer that meets all of the requirements in this Section 12.C, which approval we will not unreasonably withhold, condition, or delay.

(2) Your owners may transfer a non-controlling ownership interest (as described in Section 18.F.(5) below) in you or your owners (determined as of the date on which the proposed transfer will occur) if: (a) the proposed transferee and its direct and indirect owners (if the transferee is an Entity) are of good character and otherwise meet our then applicable standards for Tide Laundromat Business franchise owners (including no ownership interest in or performance of services for a Competitive Business); and (b) you give us prior written notice of the transfer.

(3) For any proposed transfer of this Agreement (or any interest in this Agreement), the Franchised Business (or any right to receive all or a portion of the profits or losses of the Franchised Business or the capital appreciation related to the Franchised Business), substantially all of the assets of the Franchised Business, or a controlling ownership interest (as described in Section 18.F.(5) below) in you or a transfer that is one of a series of transfers (regardless of the time period over which these transfers take place), which in the aggregate transfer a controlling ownership interest in you, all of the following conditions must be met before or concurrently with the effective date of the transfer:

(a) the transferee has sufficient business experience, aptitude, and financial resources to operate the Franchised Business;

(b) you have paid all Royalties, Fund Contributions and Co-op Dues, and other amounts owed to us, our affiliates, and third party vendors; have submitted all required reports and statements; and have not violated any provision of this Agreement, the Lease, or any other agreement with us or our affiliates during both the sixty (60) day period before you requested our consent to the transfer and the period between your request and the effective date of the transfer;

(c) neither the transferee nor its owners (if the transferee is an Entity) or affiliates have an ownership interest (direct or indirect) in or perform services for a Competitive Business;

(d) the transferee's managing owner satisfactorily completes our initial training program;

(e) your landlord allows you to transfer the Lease or sublease the Franchised Location to the transferee;

(f) the transferee shall (if the transfer is of this Agreement), or you shall (if the transfer is of a controlling ownership interest in you), sign our then-current form of franchise agreement and related documents, any and all of the provisions of which may differ materially from any and all of those contained in this Agreement, including the Royalty, Fund Contribution, Co-op Dues and Local Advertising Expenditures; provided, however, that the term of the new franchise agreement signed will equal ten (10) years as long as the transferee may maintain possession of the Franchised Location during that ten (10) year period;

(g) you or the transferee pays us a transfer fee equal to fifty percent (50%) of our then-current initial franchise fee. (The transferee will also be obligated to pay our then-current fees for the initial training program and/or additional training programs that we may require its personnel to complete, as applicable, in accordance with the preceding subparagraph (d));

(h) you (and your transferring owners) sign a general release, in a form satisfactory to us, of any and all claims against us and our affiliates and our and their respective shareholders, officers, directors, employees, and agents;

(i) we have determined that the purchase price and payment terms will not adversely affect the transferee's operation of the Franchised Business;

(j) if you or your owners finance any part of the purchase price, you and/or your owners agree that all of the transferee's obligations under promissory notes, agreements, or security interests reserved in the Franchised Business are subordinate to the transferee's obligation to pay Royalties, Fund Contributions, and other amounts due to us, our affiliates, and third party vendors and otherwise to comply with this Agreement;

(k) you have corrected any existing deficiencies of the Franchised Business of which we have notified you on a punchlist or in other communications, and/or the transferee agrees (if the transfer is of this Agreement) to upgrade, remodel, and refurbish the Franchised Business in accordance with our then-current requirements and specifications for Tide Laundromat Businesses within the time period we specify following the effective date of the transfer (we will advise the transferee before the effective date of the transfer of the specific actions that it must take and the time period within which such actions must be taken);

(l) you and your transferring owners (and your and your transferring owners' spouses) will not, for two (2) years beginning on the transfer's effective date, engage in any of the activities proscribed in Section 11.C above; and

(m) you and your transferring owners will not directly or indirectly at any time or in any manner (except with respect to other Tide Laundromat Businesses you own and operate) identify yourself or themselves or any business as a current or former Tide Laundromat Business or as one of our franchise owners; use any Mark, any colorable imitation of a Mark, or other indicia of a Tide Laundromat Business in any manner or for any purpose; or utilize for any purpose any trade name, trade or service mark, or other commercial symbol that suggests or indicates a connection or association with us.

(n) We may review all information regarding the Franchised Business that you give the transferee, correct any information that we believe is inaccurate, and give the transferee copies of any reports that you have given us or that we have made regarding the Franchised Business.

D. Transfer To A Wholly-Owned Corporation Or Limited Liability Company. Notwithstanding Section 12.C above, if you are fully complying with this Agreement, you may transfer this Agreement to an Entity which conducts no business other than the Franchised Business and, if applicable, other Tide Laundromat Businesses in which you maintain management control, and of which you own and control one hundred percent (100%) of the equity and voting power of all issued and outstanding ownership interests, provided that all of the assets of the Franchised Business are owned, and the business of the Franchised Business is conducted, only by that single Entity. The transferee Entity must expressly assume all of your obligations under this Agreement. Transfers of ownership interests in the Entity are subject to Section 12.C. You agree to remain personally liable under this Agreement as if the transfer to the Entity did not occur.

E. Transfer Upon Death Or Disability. Upon your Managing Owner's death or disability, your Managing Owner's executor, administrator, conservator, guardian, or other personal representative must transfer your Managing Owner's ownership interest in you to a third party (which may be the Managing Owner's heirs, beneficiaries, or devisees). That transfer must be completed within a reasonable time, not to exceed nine (9) months from the date of death or disability, and is subject to all of the terms and conditions in this Section 12. A failure to transfer your Managing Owner's ownership interest in you within this time period is a breach of this Agreement. The term "disability" means a mental or physical

disability, impairment, or condition that is reasonably expected to prevent or actually does prevent the Managing Owner from supervising the management and operation of the Franchised Business.

F. Operation Upon Death or Disability.

(1) Upon your Managing Owner's death or disability, your Managing Owner's executor, administrator, conservator, guardian, or other personal representative must within a reasonable time, not to exceed thirty (30) days from the date of death or disability, appoint a manager for the Franchised Business whom we approve. The manager must complete a training program that we specify at your expense. A new Managing Owner acceptable to us also must be appointed for the Franchised Business, and that new Managing Owner must complete our then applicable initial training program (and other training we may specify) within six months (6) months after the date of death or disability.

(2) If, in our judgment, the Franchised Business is not being managed properly at any time after your Managing Owner's death or disability, we may, but need not, assume the management of the Franchised Business (or appoint a third party to assume its management). All funds from the operation of the Franchised Business while it is under our (or the third party's) management will be kept in a separate account, and all expenses will be charged to this account. We may charge you (in addition to the Royalty, Fund Contributions, and other amounts due under this Agreement) Five Hundred Dollars (\$500) per day, plus our (or the third party's) direct out-of-pocket costs and expenses, if we (or a third party) assume the management of the Franchised Business under this Section 12.F.(2). We (or a third party) have a duty to utilize only reasonable efforts and will not be liable to you or your owners for any debts, losses, or obligations the Franchised Business incurs, or to any of your creditors for any products, other assets, or services the Franchised Business purchases, while we (or a third party) manage it. If we assume the management of the Franchised Business (or appoint a third party to assume its management), we will operate the Franchised Business for up to ninety (90) days. We will periodically evaluate whether or not you, the Managing Owner, or an alternative approved manager is capable of resuming the operation of the Franchised Business and will periodically discuss the status of the Franchised Business with you or, if applicable, your Managing Owner's heirs or personal representative.

G. Effect Of Consent To Transfer. Our consent to a transfer of this Agreement and the Franchised Business, or any interest in you or your owners, is not a representation of the fairness of the terms of any contract between you and the transferee, a guarantee of the Franchised Business's or transferee's prospects of success, or a waiver of any claims we have against you (or your owners) or of our right to demand the transferee's full compliance with this Agreement.

H. Our Right Of First Refusal.

(1) If you (or any of your owners) at any time determine to sell or transfer for consideration a controlling interest in this Agreement and the Franchised Business, or a controlling ownership interest in you (except to or among your current owners, which is not subject to this Section 12.H), in a transaction that otherwise would be subject to Sections 12.B and 12.C above, you (or your owners) agree to obtain from a responsible and fully disclosed buyer, and send us, a true and complete copy of a bona fide, executed written offer (which may include a letter of intent) relating exclusively to an interest in you or in this Agreement and the Franchised Business. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be in a dollar amount and the proposed buyer must submit with its offer an earnest money deposit equal to five percent (5%) or more of the offering price.

(2) The right of first refusal process will not be triggered by a proposed transfer that would not be allowed under Sections 12.B and 12.C above and therefore may not proceed. We may require you (or your owners) to send us copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction.

(3) We may, by written notice delivered to you or your selling owner(s) within thirty (30) days after we receive both an exact copy of the offer and all other information we request, elect to purchase the interest offered for the price and on the terms and conditions contained in the offer, provided that:

(a) we may substitute cash for any form of payment proposed in the offer (such as ownership interests in a privately-held entity);

(b) our credit will be deemed equal to the credit of any proposed buyer (meaning that, if the proposed consideration includes promissory notes, we or our designee may provide promissory notes with the same terms as those offered by the proposed buyer);

(c) we will have an additional forty-five (45) days to prepare for closing after notifying you of our election to purchase; and

(d) we must receive, and you and your owners agree to make, all customary representations, warranties and indemnities given by the seller of the assets of a business or the ownership interests in a legal entity, as applicable, including representations and warranties regarding: (1) ownership and condition of and title to ownership interests and/or assets; (2) liens and encumbrances relating to ownership interests and/or assets; and (3) validity of contracts and the liabilities, contingent or otherwise, of the entity whose assets or ownership interests are being purchased, and indemnities for all actions, events and conditions that existed or occurred in connection with the Franchised Business or your business prior to the closing date.

(4) If we exercise our right of first refusal, you and your selling owner(s) agree that, for two (2) years beginning on the closing date, you and they will be bound by the non-competition covenant contained in Section 11.C. We have the unrestricted right to assign this right of first refusal to a third party, who then will have the rights described in this Section 12.H.

(5) If we do not exercise our right of first refusal, you or your owners may complete the sale to the proposed buyer on the original offer's terms, but only if we otherwise approve the transfer in accordance with, and you (and your owners) and the transferee comply with the conditions in, Sections 12.B and 12.C above. This means that, even if we do not exercise our right of first refusal (whether or not it is properly triggered as provided above), if the proposed transfer otherwise would not be allowed under Sections 12.B and 12.C above, you (or your owners) may not move forward with the transfer at all.

(6) If you do not complete the sale to the proposed buyer within sixty (60) days after we notify you that we do not intend to exercise our right of first refusal, or if there is a material change in the terms of the sale (about which you agree to tell us promptly), we or our designee will have an additional right of first refusal during the thirty (30)-day period following either the expiration of the sixty (60)-day period or our receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at our or our designee's option.

### **13. EXPIRATION OF THIS AGREEMENT.**

A. Your Right To Acquire A Successor Franchise. If you meet certain conditions and would like to acquire a successor franchise, then you will have the option to acquire a successor franchise term of ten (10) years. The qualifications and conditions for acquiring a successor franchise term are described below.

(1) You will have the option to acquire a successor franchise term of ten (10) years commencing immediately upon the expiration of this Agreement:

(a) if you (and each of your owners) have substantially complied with this Agreement during its Term; and

(b) if you (and each of your owners) are, both on the date you give us written notice of your election to acquire a successor franchise (as provided in Section 13.B) and on the date on which the term of the successor franchise would commence, in full compliance with this Agreement and all System Standards; and

(c) provided that, at your option (a) you maintain possession of and agree (regardless of cost) to remodel and/or expand the Franchised Business, add or replace improvements and Operating Assets, and otherwise modify the Franchised Business as we require to comply with System Standards then applicable for new Tide Laundromat Businesses, or (b) you secure a substitute site that we approve, and you develop the approved site according to System Standards then applicable for Tide Laundromat Businesses; and

(d) if we are then offering new franchise opportunities for Tide Laundromat Businesses; and

(e) we have determined, in our sole judgment, that a Business Model Change (as defined in Section 13.D) has not occurred.

(2) You agree to sign our then current form of franchise agreement we use to grant franchises for Tide Laundromat Businesses (modified as necessary to reflect the fact that it is for a successor franchise), which may contain provisions that differ materially from any and all of those contained in this Agreement.

(3) You agree to pay us a successor franchise fee for the successor franchise term in the amount of fifty percent (50%) of our then-current initial franchise fee.

(4) If you (and each of your owners) are not, both on the date you give us written notice of your election to acquire a successor franchise and on the date on which the term of the successor franchise commences, in full compliance with this Agreement and all System Standards, you acknowledge that we need not grant you a successor franchise, whether or not we had, or chose to exercise, the right to terminate this Agreement during its Term under Section 14.A.

#### **B. Grant Of A Successor Franchise.**

(1) You agree to give us written notice of your election to acquire a successor franchise no more than twelve (12) months and no less than nine (9) months before this Agreement expires. We agree to give you written notice ("Our Notice"), not more than one hundred eighty (180) days after we receive your notice, of our decision:



- (a) to grant you a successor franchise;
- (b) to grant you a successor franchise on the condition that you correct existing deficiencies of the Franchised Business or in your operation of the Franchised Business;
- (c) not to grant you a successor franchise based on our determination that you and your owners have not substantially complied with this Agreement during the Term or were not in full compliance with this Agreement and all System Standards on the date you gave us written notice of your election to acquire a successor franchise; or
- (d) not to grant you a successor franchise, in which case, provided that the qualifications and conditions for acquiring a successor franchise term listed in paragraphs (1) through (4) of Section 13.A are satisfied, the terms of Section 13.D will apply.

(2) If applicable, Our Notice will describe the remodeling, expansion, improvements, and/or modifications required to bring the Franchised Business into compliance with then applicable System Standards for new Tide Laundromat Businesses and state the actions you must take to correct operating deficiencies and the time period in which you must correct these deficiencies.

(3) If we elect not to grant you a successor franchise, Our Notice will describe the reasons for our decision. If we elect to grant you a successor franchise, your right to acquire a successor franchise is subject to your full compliance with all of the terms and conditions of this Agreement through the date of its expiration, in addition to your compliance with the obligations described in Our Notice.

(4) If Our Notice states that you must cure certain deficiencies of the Franchised Business or its operation as a condition to our granting you a successor franchise, we will give you written notice of our decision not to grant a successor franchise, based upon your failure to cure those deficiencies, not less than ninety (90) days before this Agreement expires; provided, however, that we need not give you this ninety (90) days' notice if we decide not to grant you a successor franchise due to your breach of this Agreement during the one hundred eighty (180) day period before it expires. If we fail to give you (a) notice of deficiencies in the Franchised Business, or in your operation of the Franchised Business, within ninety (90) days after we receive your timely election to acquire a successor franchise (if we elect to grant you a successor franchise); or (b) notice of our decision not to grant a successor franchise at least ninety (90) days before this Agreement expires, if this notice is required, then we may extend this Agreement's Term for the time period necessary to give you either reasonable time to correct deficiencies or the ninety (90) days' notice of our refusal to grant a successor franchise. If you fail to notify us of your election to acquire a successor franchise within the prescribed time period, we need not grant you a successor franchise.

C. Agreements/Releases. If you satisfy all of the other conditions for a successor franchise, you and your owners agree to execute the form of franchise agreement and any ancillary agreements we then customarily use in granting franchises for Tide Laundromat Businesses (modified as necessary to reflect the fact that it is for a successor franchise), which may contain provisions that differ materially from any and all of those contained in this Agreement. You and your owners further agree to sign general releases, in a form satisfactory to us, of any and all claims against us and our affiliates and our and their respective shareholders, officers, directors, employees, agents, successors, and assigns. We will consider your or your owners' failure to sign these agreements and releases and to deliver them to us for acceptance and execution within thirty (30) days after their delivery to you to be an election not to acquire a successor franchise.

D. Alternatives To Your Right To A Successor Franchise. In addition to the other conditions for the grant of a successor franchise contained in Section 13.A, you will not be eligible to obtain a successor

franchise if we determine, in our sole judgment, that changed business circumstances since the date of this Agreement have negatively impacted or are likely to negatively impact the performance of the Tide Laundromat Business System (a “Business Model Change”). If you satisfy the other conditions for the grant of a successor franchise under Section 13.A and are not eligible to acquire a successor franchise solely because of a Business Model Change, then you shall have the right to exercise one of the following alternatives, as applicable:

(1) continue operating the business at the former Franchised Location as an independent laundromat enterprise, subject only to the post-termination obligations contained in Sections 15.A, 15.B, and 15.C below; or

(2) request that we purchase the Franchised Business from you (which request we may deny in our sole discretion) under the terms and conditions of Section 15.D below, subject only to the post-termination obligations contained in Sections 15.A, 15.B, and 15.C below; or

(3) if we are then offering licenses to Tide Laundromat Business franchisees to convert their franchised locations into licensed locations using the Marks (or other trade names or trademarks then available to be licensed by us or our affiliates), become our (or our affiliate’s) licensee by executing the form of license agreement we are then offering to former Tide Laundromat Business franchisees.

#### **14. TERMINATION OF AGREEMENT.**

A. By Us. We may terminate this Agreement, effective upon delivery of written notice of termination to you, if:

(1) you (or any of your owners) have made or make any material misrepresentation or omission in acquiring the Franchise or operating the Franchised Business;

(2) you do not open the Franchised Business for business either (a) by the scheduled opening date or (b) such opening deadline as may be prescribed in the Development Rights Agreement associated with this Agreement;

(3) your Managing Owner and your designated attendee(s) do not satisfactorily complete the initial training program;

(4) you abandon or fail actively to operate the Franchised Business for three (3) or more consecutive business days, unless you temporarily close the Franchised Business during periods of inclement weather that reasonably render the operation of the Franchised Business impractical or dangerous, or you otherwise close the Franchised Business for a purpose we approve of or because of casualty or government order;

(5) you (or your owners) make or attempt to make any transfer in violation of Section 12;

(6) you (or any of your owners) are or have been convicted of, or plead or have pleaded either guilty or no contest to, a felony, or to another crime or lesser offense that may adversely affect your reputation, the reputation of the Franchised Business or the goodwill associated with the Marks;

(7) you fail to maintain the insurance we require and do not correct the failure within ten (10) days after we deliver written notice of that failure to you;



(8) you (or any of your owners) engage in any dishonest or unethical conduct or in any acts or omissions which, in our opinion, adversely affects the reputation of the Franchised Business or the goodwill associated with the Marks;

(9) you lose the right to occupy the Franchised Location and fail (a) to begin immediately to look for a substitute site, or (b) to locate a substitute site, and to begin operating the Franchised Business from that substitute site, within one hundred eighty (180) days after we approve the location of the substitute site;

(10) any other franchise agreement or other agreement between us (or any of our affiliates) and you (or any of your owners or affiliates), other than a development rights agreement, is terminated before its term expires, regardless of the reason;

(11) you (or any of your owners) knowingly make any unauthorized use or disclosure of any part of the Manual or any other Confidential Information;

(12) you violate any health, safety, or sanitation law, ordinance, or regulation, or operate the Franchised Business in an unsafe manner, and do not begin to cure the violation immediately, and do not correct the violation within seventy-two (72) hours, after you receive notice from us or any other party;

(13) you fail to pay us (or our affiliates) any amounts due and do not correct the failure within ten (10) days after we deliver written notice of that failure to you;

(14) you fail to pay when due any federal or state income, service, sales, or other taxes due on the operation of the Franchised Business, unless you are in good faith contesting your liability for these taxes;

(15) you understate the Net Sales of the Franchised Business three (3) times or more during this Agreement's Term or by more than five percent (5%) on any one occasion;

(16) you (or any of your owners) (a) fail on three (3) or more separate occasions within any twelve (12) consecutive month period to comply with this Agreement, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you; or (b) fail on two (2) or more separate occasions within any six (6) consecutive month period to comply with the same obligation under this Agreement, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you;

(17) you make an assignment for the benefit of creditors or admit in writing your insolvency or inability to pay your debts generally as they become due; you consent to the appointment of a receiver, trustee, or liquidator of all or the substantial part of your property; the Franchised Business is attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant, or levy is vacated within thirty (30) days; or any order appointing a receiver, trustee, or liquidator of you or the Franchised Business is not vacated within thirty (30) days following the order's entry;

(18) your or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation; or

(19) you, any of your owners, or any of your personnel use any equipment, services, processes or products at the Franchised Business other than Proprietary Products, Proprietary Processes or that otherwise violate System Standards and/or that you acquire through suppliers that we have not approved or that we have disapproved; or

(20) you (or any of your owners) fail to comply with any other provision of this Agreement or any System Standard and do not correct the failure within thirty (30) days after we deliver written notice of the failure to you.

**B. Assumption Of Management.**

(1) We (or a third party designated by us) may assume the management of the Franchised Business under the following circumstances: (a) if you abandon or fail actively to operate the Franchised Business; (b) if you fail to comply with any provision of this Agreement or any System Standard and do not cure the failure within the time period we specify in our notice to you; or (c) if this Agreement expires or is terminated and we are deciding whether to exercise our option to purchase the Franchised Business under Section 15.D below. If we exercise our rights under subsections (a) or (b) above, that will not affect our right to terminate this Agreement under Section 14.A above.

(2) We have the right (but not the obligation), under the circumstances described below, to enter the Franchised Location and assume the management of the Franchised Business (or to appoint a third party to assume its management) for an initial period of time not to exceed ninety (90) days, which ninety (90)-day period may be subsequently renewed for a total cumulative period of one (1) year following our assumption of management responsibilities if you do not sufficiently cure the default(s) in the operation or management of the Franchised Business to our satisfaction. If we (or a third party) assume the management of the Franchised Business under Section 14.B.(1)(a) or (b) above, you agree to pay us (in addition to the Royalty, Fund Contributions, and other amounts due under this Agreement) Five Hundred Dollars (\$500) per day, plus our (or the third party's) direct out-of-pocket costs and expenses, for up to ninety (90) days after we assume management (and during any subsequent ninety (90)-day renewal period, or portion thereof).

(3) If we (or a third party) assume the management of the Franchised Business, you acknowledge that we (or the third party) will have a duty to utilize only reasonable efforts and will not be liable to you or your owners for any debts, losses, or obligations the Franchised Business incurs, or to any of your creditors for any supplies, products, or other assets or services the Franchised Business purchases, while we (or the third party) manage it. If we (or a third party) assume the management of the Franchised Business, we or they will periodically discuss the operational status of the Franchised Business with you (or your owners, as applicable).

**15. OUR AND YOUR RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT.**

**A. Payment Of Amounts Owed To Us And Early Termination Damages.**

(1) You agree to pay us within fifteen (15) days after this Agreement expires or is terminated, or on any later date that we determine the amounts due to us, the Royalties, Fund Contributions, interest, and all other amounts owed to us (and our affiliates) which then are unpaid.

(2) If you default on your obligations and we terminate this Agreement prior to the expiration of the Term, it is hereby agreed by the parties that the amount of damages which we would incur for any such termination of this Agreement would be difficult, if not impossible, to accurately ascertain.

Accordingly, within thirty (30) days following such termination, you and your guarantors shall pay to us an amount equal to: (a) the average weekly Royalty ~~and Fund Contribution~~ that you owed during the one (1) year period prior to termination (or, if the Franchised Business was open for less than one (1) year, the average weekly Royalty ~~and Fund Contribution~~ owed by you for the number of weeks that the Franchised Business was in operation); (b) multiplied by the lesser of one hundred four (104) weeks or the number of weeks (including any partial week) remaining in the term of this Agreement. These early termination damages shall constitute liquidated damages, are not to be construed as a penalty, and shall be the joint and several liability of you and your guarantors. The parties acknowledge and agree that: (1) the early termination damages are a reasonable estimation of the damages that we would incur resulting from or arising out of the premature termination of this Agreement; and (2) your payment of such early termination damages is intended to fully compensate us only for any and all damages related to or arising out of the premature termination of this Agreement, and shall not constitute an election of remedies, waiver of any default under this Agreement, nor waiver of our claim for other damages and/or equitable relief arising out of your breach of this Agreement.

B. Marks; Proprietary Products; Proprietary Processes. When this Agreement expires or is terminated:

(1) you may not directly or indirectly at any time or in any manner (except with other Tide Laundromat Businesses you own and operate) identify yourself or any business as a current or former Tide Laundromat Business or as one of our current or former franchise owners; use any Mark, any colorable imitation of a Mark, or other indicia of a Tide Laundromat Business in any manner or for any purpose; or use for any purpose any trade name, trade or service mark, or other commercial symbol that indicates or suggests a connection or association with us;

(2) you agree to take the action required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any Mark;

(3) you agree to deliver to us within thirty (30) days all signs, sign-faces, sign-cabinets, marketing materials, forms, and other materials containing any Mark or otherwise identifying or relating to a Tide Laundromat Business that we request and allow us, without liability to you or third parties for trespass or any other claim, to enter the premises and remove these items from the Franchised Business;

(4) if we do not have or do not exercise an option to purchase the Franchised Business under Section 15.D, you agree promptly and at your own expense to make the alterations we specify in our Manual (or otherwise) to distinguish the Franchised Business clearly from its former appearance and from other Tide Laundromat Businesses in order to prevent public confusion;

(5) you agree to notify the telephone company and all telephone directory publishers of the termination or expiration of your right to use any telephone, facsimile, or other numbers and telephone directory listings associated with any Mark; to authorize the transfer of these numbers and directory listings to us or at our direction; and/or to instruct the telephone company to forward all calls made to your numbers to numbers we specify. If you fail to do so, we may take whatever action and sign whatever documents we deem appropriate on your behalf to effect these events;

(6) you agree that all licenses we granted to you to use our (or our affiliates' or designated third parties') Patents shall terminate immediately, and you agree to immediately cease using the Proprietary Products and Proprietary Processes. You agree to allow us, without liability to you or third parties for trespass or any other claim, to enter the premises to verify that you have ceased use such use. Notwithstanding the foregoing, the limitation on your non-use of our Proprietary Products and Proprietary

Processes with respect to a particular licensed Patent shall not extend beyond the expiration of such a Patent; and

(7) you agree to give us, within thirty (30) days after the expiration or termination of this Agreement, evidence satisfactory to us of your compliance with these obligations.

C. Confidential Information. You agree that, when this Agreement expires or is terminated, you will immediately cease using any of our Confidential Information (including computer software or similar technology and digital passwords and identifications that we have licensed to you or that otherwise are proprietary to us or the System) or Customer Data in any business or otherwise and return to us all copies of the Manual and any other confidential materials to which we have provided you access.

D. Our Right To Purchase The Franchised Business.

(1) Upon termination of this Agreement, or upon expiration of this Agreement without renewal, we shall have the right and option (directly or we may assign this right to a third party), but not the obligation, to purchase the Franchised Business, including the Franchised Location (if the Franchised Location is owned by you, then you agree to assign the Lease for the Franchised Location to us) and all Operating Assets, equipment, and any other assets then having value from, or used in the operation of, the Franchised Business at a purchase price equal to its then-current fair market value, which shall exclude (or otherwise be reduced by) any value attributable to goodwill in the Marks or the Tide Laundromat brand. If we elect to exercise this option, we will deliver written notice to you of our election within thirty (30) days after the date of termination or expiration of this Agreement. We will have the right to inspect the Franchised Business at any time during this thirty (30)-day period. If we elect to purchase the Franchised Business, we will be entitled to, and you must provide, all customary warranties and representations relating to any assets or other items related to the Franchised Business, including representations and warranties as to the maintenance, function and condition of the equipment and your good title to the equipment (including that you own the equipment free and clear of any liens and encumbrances).

(2) If you and we cannot agree on the then fair market value of the Franchised Business (less any goodwill in the Marks or the brand), then we and you acknowledge and agree that the purchase price of the Franchised Business shall be appraised and finally determined by an appraisal process conducted by one (1) independent appraiser that you and we mutually agree to and appoint within fifteen (15) days after we deliver notice of our election to exercise our purchase option. If we and you cannot agree on a mutually acceptable appraiser within fifteen (15) days after we deliver our notice, then we will provide you with a list of three (3) independent appraisers and you must select one (1) of those choices to act as the designated appraiser that will determine the purchase price. We and you will share equally the appraiser's fees and expenses. Within ten (10) days after the appraiser is selected, we and you each must submit to the appraiser our and your respective calculations of the purchase price, prepared in accordance with the terms and conditions of this Section 15.D and with such detail and supporting information as the appraiser requires. Within twenty (20) days after the deadline for submitting such purchase price calculations, the appraiser must decide whether our proposed purchase price or your proposed purchase price most accurately reflects the fair market value of the Franchised Business, determined in accordance with this Section 15.D. The appraiser has no authority to compromise between the two (2) proposed purchase prices, but instead is authorized to choose only one or the other. The appraiser's choice shall be the purchase price and shall be final and binding on us and you.

E. Continuing Obligations. All of our and your (and your owners') obligations which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire.

## **16. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.**

### **A. Independent Contractors.**

(1) You and we understand and agree that this Agreement does not create a fiduciary relationship between you and us, that you and we are and will be independent contractors, and that nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner, or employee of the other for any purpose. We are not the employer or joint employer of the employees of the Franchised Business. You are solely responsible for the management and operation of the Franchised Business and the supervision of the employees of the Franchised Business. You agree to identify yourself conspicuously in all dealings with customers, suppliers, public officials, Franchised Business personnel, and others as the owner of the Franchised Business under a franchise we have granted and to place notices of independent ownership on the forms, business cards, stationery, advertising, and other materials we require from time to time.

(2) We will not exercise direct or indirect control over the working conditions of Franchised Business personnel, except to the extent that such indirect control is related to our legitimate interest in protecting the quality of our services or brand. We do not share or codetermine the terms and conditions of employment of the employees of the Franchised Business and do not affect matters relating to the employment relationship between you and the employees of the Franchised Business, such as employee selection, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints and working conditions. To that end, you agree to notify Franchised Business employees that you are their employer and that we, as the franchisor of Tide Laundromat Businesses, are not their employer and do not engage in any employer-type activities for which only franchisees are responsible, such as employee selection, promotion, termination, hours worked, rates of pay, other benefits, work assigned, discipline, adjustment of grievances and complaints, and working conditions.

(3) You acknowledge and agree that:

(a) you are the only party that employs your staff (even though we may provide you with advice, guidance, and training);

(b) we are not the employer of any of your staff, and we will not play any role in decisions regarding their engagement (including but not limited to matters such as recruitment, hiring, compensation, scheduling, employee relations, labor matters, review, discipline, and/or dismissal);

(c) any guidance that we provide and requirements under which you will operate are intended to promote and protect the value of the brand and the Marks;

(d) when forming and in operating your business, you had to adopt standards to operate that business, and that instead of developing and implementing your own standards (or those of another party), you chose to adopt and implement our standards for your business (including but not limited to our System and the requirements under this Agreement); and

(e) you have made (and will remain responsible at all times for) all of the organizational and basic decisions about establishing and forming your entity, operating your business (including but not limited to adopting our standards as your standards), and hiring employees and employment matters employment (including but not limited to matters such as recruitment, hiring, compensation, scheduling, employee relations, labor matters, review, discipline, and/or dismissal) engaging professional advisors, and all other facets of your operation.

B. No Liability For Acts Of Other Party. We and you may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that our respective relationship is other than franchisor and franchise owner. We will not be obligated for any damages to any person or property directly or indirectly arising out of the operation of the Franchised Business or the business you conduct under this Agreement.

C. Taxes. We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property, or other taxes, whether levied upon you or the Franchised Business, due to the business you conduct (except for our income taxes). You are responsible for paying these taxes and must reimburse us for any taxes that we must pay to any state taxing authority on account of either your operation or payments that you make to us.

D. Indemnification And Defense Of Claims.

(1) You agree to indemnify and hold harmless us, our affiliates, and our and their respective owners, directors, officers, employees, agents, representatives, successors and assignees (the “Indemnified Parties”) against, and to reimburse any one or more of the Indemnified Parties for, all Losses (as defined below) directly or indirectly arising out of or relating to: (a) the operation of the Franchised Business; (b) the business you conduct under this Agreement; (c) your breach of this Agreement; (d) your noncompliance or alleged noncompliance with any law, ordinance, rule or regulation, including those concerning the construction, design or operation of the Franchised Business, and including any allegation that we or another Indemnified Party is a joint employer or otherwise responsible for your acts or omissions relating to your employees; or (e) claims alleging either intentional or negligent conduct, acts or omissions by you (or your contractors or any of your or their employees, agents or representatives), or by us or our affiliates (or our or their contractors or any of our or their employees, agents or representatives), subject to Section 16.D.(3). “Losses” means any and all losses, expenses, obligations, liabilities, damages (actual, consequential, or otherwise), and reasonable defense costs that an Indemnified Party incurs, including accountants’, arbitrators’, attorneys’, and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced.

(2) You agree to defend the Indemnified Parties against any and all claims asserted or inquiries made (formally or informally), or legal actions, investigations, or other proceedings brought, by a third party and directly or indirectly arising out of or relating to any matter described in Section 16.D.(1)(a) through (e) above (collectively, “Proceedings”), including those alleging the Indemnified Party’s negligence, gross negligence, willful misconduct and/or willful wrongful omissions. Each Indemnified Party may at your expense defend and otherwise respond to and address any claim asserted or inquiry made, or Proceeding brought, that is subject to this Section 16.D (instead of having you defend it as required above), and agree to settlements or take any other remedial, corrective, or other actions, for all of which defense and response costs and other Losses you are solely responsible, subject to Section 16.D.(3). An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its Losses, in order to maintain and recover fully a claim against you, and you agree that a failure to pursue a recovery or mitigate a Loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this Section 16.D. Your obligations in this Section 16.D will continue in full force and effect subsequent to and notwithstanding this Agreement’s expiration or termination.

(3) Despite Sections 16.D.(1) and (2), you have no obligation to indemnify or hold harmless an Indemnified Party for, and we will reimburse you for, any Losses (including costs of defending any Proceeding under Section 16.D.(2)) to the extent they are determined in a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction to have been caused solely and directly by the Indemnified Party’s willful misconduct or gross negligence, so long as the claim to which those Losses



relate is not asserted on the basis of theories of vicarious liability (including agency, apparent agency, or employment), joint employer liability or our failure to compel you to comply with this Agreement, which are claims for which we are entitled to indemnification under this Section. However, nothing in this Section 16.D.(3) limits your obligation to defend us and the other Indemnified Parties under Sections 16.D.(1) and (2).

## **17. ENFORCEMENT.**

### **A. Severability And Substitution Of Valid Provisions.**

(1) Except as expressly provided to the contrary in this Agreement (including in Section 17.E), each section, paragraph, term, and provision of this Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties.

(2) If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity.

(3) If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement requires of this Agreement's termination or of our refusal to enter into a successor franchise agreement, or some other action that this Agreement does not require, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any System Standard is invalid, unenforceable, or unlawful, the notice and/or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and we may modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. You agree to be bound by any promise or covenant imposing the maximum duty the law permits that is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

### **B. Waiver Of Obligations.**

(1) We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice to any other rights we or you have, will be subject to continuing review, and may be revoked at any time and for any reason effective upon delivery of ten (10) days prior written notice.

(2) We and you will not waive or impair any right, power, or option this Agreement reserves (including our right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Agreement before its Term expires) because of any custom or practice that varies from this Agreement's terms; our or your failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement, including any System Standard; our waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other Tide Laundromat Businesses; the existence of franchise agreements for other Tide Laundromat Businesses that contain provisions different from those contained in this Agreement; or our acceptance of any payments due from you after any breach of this Agreement. No special or restrictive legend or endorsement on any check, payment reference, or similar item given to either

us or you will be a waiver, compromise, settlement, or accord and satisfaction. We and you, upon receipt, are authorized to remove any legend or endorsement, which then will have no effect.

(3) Neither we nor you will be liable for loss or damage or be in breach of this Agreement if our or your failure to perform our or your obligations results from: (a) compliance with the orders, requests, regulations, or recommendations of any federal, state, or municipal government; (b) fire, flood, accident, hurricane or other calamity or act of nature; (c) strikes, embargoes, war, civil disturbance, acts of terrorism or similar events, or riot; or (d) any other similar event or cause. Any delay resulting from any of these causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that these causes will not excuse payments of amounts owed at the time of the occurrence or payment of Royalties, Fund Contributions, or Co-op Dues due afterward.

C. Costs And Attorneys' Fees. If we incur costs and expenses due to your failure to pay when due amounts owed to us, to submit when due any reports, information, or supporting records, or otherwise to comply with this Agreement, you agree, whether or not we initiate a formal legal proceeding, to reimburse us for all of the costs and expenses that we incur, including reasonable accounting, attorneys', arbitrators', and related fees.

D. Rights Of Parties Are Cumulative. Our and your rights under this Agreement are cumulative, and our or your exercise or enforcement of any right or remedy under this Agreement will not preclude our or your exercise or enforcement of any other right or remedy which we or you are entitled by law to enforce.

E. Arbitration.

(1) We and you agree that all controversies, disputes, or claims between us and our affiliates, and our and their respective owners, shareholders, officers, directors, agents, and/or employees, and you (and/or your owners, guarantors, affiliates, and yours or their respective owners, shareholders, officers, directors, agents and/or employees) arising out of or related to: (a) this Agreement or any other agreement between you and us or our affiliates; (b) our (or any of our affiliates') relationship with you; (c) the scope and validity of this Agreement or any other agreement between you and us (or any of our affiliates) or any provision of such agreements (including the validity and scope of the arbitration obligations under this Section 17.E, which you and we acknowledge is to be determined by an arbitrator and not a court); or (d) any aspect of the System or any System Standard must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association (the "AAA"). The arbitration proceedings will be conducted by a panel of three (3) arbitrators (the "Panel") and, except as this Section 17.E otherwise provides, according to the then current commercial arbitration rules of the AAA. We and you shall each appoint one (1) arbitrator to serve on the Panel. The two (2) separately appointed arbitrators shall attempt to agree upon the third arbitrator for the Panel, who will act as the Panel's chairman. If the two (2) appointed arbitrators fail to agree on the third arbitrator within thirty (30) days after the second arbitrator is appointed to the Panel, then the third arbitrator shall be appointed by the AAA, and shall serve as the Panel's chairman. All proceedings will be conducted at a suitable location chosen by the Panel in the metropolitan area in which we have our headquarters when the arbitration is commenced, which as of the Effective Date is Cincinnati, Ohio. The Panel will have no authority to select a different hearing locale other than as described in the prior sentence. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.) and not by any state arbitration law.

(2) The Panel has the right to award or include in its award any relief which it deems proper, including money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs, provided that the Panel may not declare any Mark generic or otherwise invalid or, except as expressly provided in Section 17.H, award any punitive or



exemplary damages against either party (we and you hereby waiving to the fullest extent permitted by law, except as expressly provided in Section 17.H, any right to or claim for any punitive or exemplary damages against the other). The award of the Panel shall be conclusive and binding upon all parties hereto and judgment upon the Panel's award may be entered in any court of competent jurisdiction.

(3) We and you agree to be bound by the provisions of any limitation on the period of time in which claims must be brought under applicable law or this Agreement, whichever expires earlier. We and you further agree that, in any arbitration proceeding, each must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any claim which is not submitted or filed as required is forever barred. The Panel may not consider any settlement discussions or offers that might have been made by either you or us. We reserve the right, but have no obligation, to advance your share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so will not be deemed to have waived or relinquished our right to seek the recovery of those costs in accordance with Section 17.C.

(4) We and you agree that arbitration will be conducted on an individual, not a class-wide, basis and that an arbitration proceeding between us and our affiliates, and our and their respective shareholders, officers, directors, agents, and/or employees, and you (and/or your owners, guarantors, affiliates, and your and their respective owners, officers, directors, agents and/or employees) may not be consolidated with any other arbitration proceeding between us and any other person. Notwithstanding the foregoing or anything to the contrary in this Section 17.E or Section 17.A, if any court or arbitrator or Panel determines that all or any part of the preceding sentence is unenforceable with respect to a dispute that otherwise would be subject to arbitration under this Section 17.E, then the parties agree that this arbitration clause shall not apply to that dispute and that such dispute will be resolved in a judicial proceeding in accordance with this Section 17 (excluding this Section 17.E).

(5) Despite our and your agreement to arbitrate, we and you each have the right to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction; provided, however, that we and you must contemporaneously submit our dispute for arbitration on the merits as provided in this Section 17.E.

(6) The provisions of this Section 17.E are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

F. Governing Law. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. Sections 1 et seq.). Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham act, 15 U.S.C. Sections 1051 et seq.), or other federal law, this Agreement, the Franchise, and all claims arising from the relationship between us and you will be governed by the laws of the state of Ohio, without regard to its conflict of laws rules, except that any Ohio law regulating the sale of franchises or business opportunities or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this section.

G. Consent To Jurisdiction.

Subject to Section 17.E above and the provisions below, you and your owners agree that all actions arising under this Agreement or otherwise as a result of the relationship between you and us must be commenced in the state or federal court of general jurisdiction in the district where we have our headquarters when the action is commenced, which as of the Effective Date is Cincinnati, Ohio, and you

(and each owner) irrevocably submit to the jurisdiction of those courts and waive any objection you (or the owner) might have to either the jurisdiction of or venue in those courts. Nonetheless, you and your owners agree that we may enforce this Agreement and any arbitration orders and awards in the courts of the state or states in which you are domiciled or the Franchised Business is located.

**H. WAIVER OF PUNITIVE DAMAGES AND JURY TRIAL.**

(1) **EXCEPT FOR PUNITIVE, EXEMPLARY AND OTHER FORMS OF MULTIPLE DAMAGES AVAILABLE TO ANY PARTY UNDER FEDERAL LAW OR OWED TO THIRD PARTIES WHICH ARE SUBJECT TO INDEMNIFICATION UNDER SECTION 16.D, AND EXCEPT FOR PUNITIVE DAMAGES AVAILABLE TO EITHER PARTY UNDER FEDERAL LAW, WE AND YOU (AND YOUR OWNERS) WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN US AND YOU, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.**

(2) **SUBJECT TO OUR AND YOUR ARBITRATION OBLIGATIONS, WE AND YOU (AND YOUR OWNERS) IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF US.**

I. Binding Effect. This Agreement is binding upon us and you and our and your respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. Subject to our right to modify the Manual and System Standards, this Agreement may not be modified except by a written agreement signed by both our and your duly-authorized officers.

J. Limitations Of Claims. Except for claims arising from your non-payment or underpayment of amounts you owe us, any and all claims arising out of or relating to this Agreement or our (or any of our affiliates') relationship with you will be barred unless a legal proceeding (in the required or permitted forum) is commenced within eighteen (18) months from the date on which the party asserting the claim knew or should have known of the facts giving rise to the claims.

**18. CONSTRUCTION.**

A. Entire Agreement. This Agreement, together with the preambles and exhibits to it, constitutes the entire agreement between us and you, and there are no other oral or written understandings or agreements between us and you, or oral or written representations by us, relating to the subject matter of this Agreement, the franchise relationship, or the Franchised Business (any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement). This Agreement may be modified only by written agreement signed by both you and us, except that we may modify the Manual at any time and amend and restate **Exhibit B** to reflect the Territory pursuant to Section 1.D if the exact location of the Franchised Location is unknown as of the Effective Date. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require you to waive reliance on any representation that we made in our most recent franchise disclosure document (including its exhibits and amendments) that we delivered to you or your representative.

B. Policies. Any policies that we adopt and implement from time to time to guide us in our decision-making are subject to change, are not a part of this Agreement, and are not binding on us.

C. No Third Party Beneficiaries. Except as expressly provided in this Agreement, nothing in this Agreement is intended or deemed to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

D. Approvals. Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed, initiated, or completed actions that require our approval.

E. Headings. The headings of the sections and paragraphs are for convenience only and do not define, limit, or construe the contents of these sections or paragraphs.

F. References.

(1) References in this Agreement to “we,” “us,” and “our,” with respect to all of our rights and all of your obligations to us under this Agreement, include any of our affiliates with whom you deal.

(2) The term “affiliate” means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling you or us.

(3) References to “control” mean the power to direct or cause the direction of management and policies.

(4) References to “owner” mean any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in you (or a transferee of this Agreement and the Franchised Business or an ownership interest in you), including any person who has a direct or indirect interest in you (or a transferee), this Agreement, the Franchise, or the Franchised Business and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets. If two (2) or more persons are at any time the owners of the Franchise and the Franchised Business, whether as partners or joint venturers, their obligations and liabilities to us will be joint and several.

(5) References to a “controlling ownership interest” in you or one of your owners (if an Entity) mean the percent of the voting shares or other voting rights that results from dividing one hundred percent (100%) of the ownership interests by the number of owners. In the case of a proposed transfer of an ownership interest in you or one of your owners, the determination of whether a controlling ownership interest is involved must be made as of both immediately before and immediately after the proposed transfer to see if a “controlling ownership interest” will be transferred (because of the number of owners before the proposed transfer) or will be deemed to have been transferred (because of the number of owners after the proposed transfer). References to a “non-controlling ownership interest” mean an ownership interest that is not a controlling ownership interest (as evaluated both before and after any proposed transfer and as otherwise described above).

(6) References to a “person” mean any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity.

(7) The words “include,” “including,” and words of similar import, whenever used in this Agreement, mean “including, by way of example, but without limitation,” and the terms following such

words shall not be interpreted as representing an exclusive or exhaustive list of the appropriate subject matter.

(8) Unless otherwise specified, all references to a number of days shall mean calendar days and not business days.

(9) The term “Franchised Business” includes all of the assets of the Tide Laundromat Business you operate under this Agreement, including its revenue and the Lease.

G. Counterparts. This Agreement may be executed in multiple counterparts, each of which when executed and delivered shall be deemed to be an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by electronic transmission (including an electronic signature platform or the transmission of a scanned PDF document) shall be effective as delivery of a manually executed counterpart of this Agreement.

## **19. NOTICES AND PAYMENTS.**

A. Notices. All written notices, reports, and payments permitted or required to be delivered by this Agreement or the Manual will be deemed to be delivered: (1) at the time delivered by hand; (2) at the time delivered via computer transmission and, in the case of the Royalty, Fund Contributions, and other amounts due, at the time we actually receive payment via the Account; (3) one (1) business day after transmission by electronic transmission such as e-mail if the sender has confirmation of successful transmission; (4) one (1) business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery; or (5) three (3) business days after placement in the United States Mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid. Any notice to us must be sent to the address specified on the first page of this Agreement, although we may change this address for notice by giving you notice of the new address. You may send notices to us by e-mail but only if you send them to us at “franchising@groups.pg.com” (unless and until we specify a different address). Any notice that we send to you may be sent only to the one (1) person identified on Exhibit A, even if you have multiple owners, at the e-mail or postal address specified on Exhibit A. You may change the person and/or address for notice only by giving us thirty (30) days’ prior notice by any of the means specified in subparagraphs (1) through (5) above. Changes that we periodically make to our Manual and/or other similar operational instructions that we periodically change shall not be deemed “notices” for the purpose of this Section 19.

B. Payments and Reports. Any required payment or report which we do not actually receive during regular business hours on the date due will be deemed delinquent.

## **20. COMPLIANCE WITH ANTI-TERRORISM LAWS.**

You and your owners agree to comply, and to assist us to the fullest extent possible in our efforts to comply, with Anti-Terrorism Laws (as defined below). In connection with that compliance, you and your owners certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your owners otherwise are not in violation of, any of the Anti-Terrorism Laws. “Anti-Terrorism Laws” mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you or your owners, or any blocking of your or your owners’ assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement, as provided in Section 14.A(18) above.

**21. ELECTRONIC MAIL.**

You acknowledge and agree that exchanging information with us by e-mail is efficient and desirable for day-to-day communications and that we and you may utilize e-mail for such communications. You authorize the transmission of e-mail by us and our employees, vendors, and affiliates (“Official Senders”) to you during the Term of this Agreement. You further agree that: (1) Official Senders are authorized to send e-mails to those of your employees as you may occasionally authorize for the purpose of communicating with us; (2) you will cause your officers, directors, and employees to give their consent to Official Senders’ transmission of e-mails to them; (3) you will require such persons not to opt out or otherwise ask to no longer receive e-mails from Official Senders during the time that such person works for or is affiliated with you; and (4) you will not opt out or otherwise ask to no longer receive e-mails from Official Senders during the Term of this Agreement.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

**FRANCHISOR:**  
**AGILE PURSUITS FRANCHISING, INC.,**  
an Ohio corporation

**FRANCHISEE:**  
**[FRANCHISEE ENTITY],**  
a \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**DATED\*:** \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**DATED:** \_\_\_\_\_

(\*Effective Date of this Agreement)

**EXHIBIT A**  
**TO THE TIDE LAUNDROMAT FRANCHISE AGREEMENT**

**OWNERS**

**Effective Date: This Exhibit A is current and complete**

**as of \_\_\_\_\_, 20**

**You and Your Owners**

**1. Form of Owner.** (Choose (a) or (b))

(a) **Individual Proprietorship.** List individual(s):

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(b) **Corporation, Limited Liability Company, or Partnership.** (CIRCLE ONE)  
You were incorporated or formed on \_\_\_\_\_, under the laws of the State of \_\_\_\_\_. You have not conducted business under any name other than your corporate, limited liability company, or partnership name and \_\_\_\_\_. The following is a list of your directors, if applicable, and officers as of the effective date shown above:

<b><u>Name of Each Director/Officer</u></b>	<b><u>Position(s) Held</u></b>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

**2. Owners.** The following list includes the full name of each person who is one of your owners (as defined in the Franchise Agreement), or an owner of one of your owners, and fully describes the nature of each owner's interest (attach additional pages if necessary).

	<b><u>Owner's Name</u></b>	<b><u>Percentage/Description of Interest</u></b>
(a)	_____	_____
(b)	_____	_____
(c)	_____	_____
(d)	_____	_____

3. **Name and Address of Person to Receive Notice for Franchise Owner.**

(a) Name: \_\_\_\_\_

(b) Postal Address: \_\_\_\_\_  
\_\_\_\_\_

(c) E-mail Address: \_\_\_\_\_

4. **Identification of Managing Owner.** Your Managing Owner as of the Effective Date is \_\_\_\_\_  
\_\_\_\_\_ (must be one of the individuals listed in  
paragraph 2 above). You may not change the Managing Owner without prior written approval.

**FRANCHISEE:**

**[FRANCHISEE ENTITY],**

a \_\_\_\_\_

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

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

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

**DATED:** \_\_\_\_\_



**EXHIBIT B**  
**TO THE TIDE LAUNDROMAT FRANCHISE AGREEMENT**

**FRANCHISE INFORMATION**

1. The **Franchised Location** of the Franchised Business: \_\_\_\_\_  
\_\_\_\_\_
2. **Initial Franchise Fee.** The Initial Franchise Fee for the Outlet is [*First Business:*][\$50,000]  
[*Subsequent Business*] [\$30,000].
3. The **Territory** for the Franchised Business shall be: \_\_\_\_\_  
\_\_\_\_\_

(The Territory is depicted on the map attached to this **Exhibit B**. However, if there is an inconsistency between the language in this **Exhibit B** and the attached map, the language in this **Exhibit B** shall control. All street boundaries will be deemed to end at the street center line unless otherwise specified.)

Initials:

\_\_\_\_\_  
Franchisee

\_\_\_\_\_  
APFI

## MAP OF TERRITORY

## EXHIBIT C

### TO THE TIDE LAUNDROMAT FRANCHISE AGREEMENT

#### **FRANCHISEE CONSENT TO VENDOR INFORMATION SHARING**

This Franchisee Consent to Vendor Information Sharing ("Consent") is provided on \_\_\_\_\_, 20 the date noted below by \_\_\_\_\_ ("~~Franchisee~~") the undersigned as the Franchisee under ~~that~~ certain Tide Laundromat Franchise Agreement ~~dated~~ \_\_\_\_\_ between Franchisee and AGILE PURSUITS FRANCHISING, INC. ("Franchisor") for the operation of a franchised Tide Laundromat business located at \_\_\_\_\_ the address noted below (the "Franchised Business"). Franchisee understands, agrees and hereby acknowledges that Franchisor has the right to receive various information, reports and records regarding Franchisee's operation of the Franchised Business, including such data from suppliers to the Franchised Business. Accordingly, consistent with Franchisor's rights and Franchisee's obligations pursuant to the Franchise Agreement, Franchisor is hereby granted permission to contact any or all suppliers that provide goods or services to the Franchised Business concerning the operations of the Franchised Business. Franchisee further authorizes any supplier that Franchisor may contact in connection with this Consent to share all relevant information about the operations of the Franchised Business, including but not limited to purchasing records and history, product usage statistics, and all related details about Franchisee's relationship with the supplier covering the time period during which Franchisee operated the Franchised Business pursuant to the Franchise Agreement. By signing below, Franchisee (1) hereby authorizes Franchisor to submit this executed Consent to any of the suppliers of the Franchised Business as evidence of Franchisee's permission for the supplier to release to Franchisor information about the Franchised Business, (2) consents to each supplier's full cooperation and information sharing with Franchisor upon Franchisor's request, and (3) directs any such supplier to disclose all relevant information concerning the operation of the Franchised Business to Franchisor.

Tide Laundromat Business Address: \_\_\_\_\_

**FRANCHISEE:**  
**[FRANCHISEE ENTITY],**

a \_\_\_\_\_

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

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

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

**DATED:** \_\_\_\_\_

**EXHIBIT D**

**TO THE TIDE LAUNDROMAT FRANCHISE AGREEMENT**

**GUARANTY AND ASSUMPTION OF OBLIGATIONS**

**THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS** (“Guaranty”) is given this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_

By (list each guarantor):

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

In consideration of, and as an inducement to, the execution of that certain Tide Laundromat Franchise Agreement (the “Agreement”) on this date by AGILE PURSUITS FRANCHISING, INC. (“us,” “we,” or “our”), each of the undersigned personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement (including extensions) and afterward as provided in the Agreement, that \_\_\_\_\_ (“Franchisee”) will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including any amendments or modifications of the Agreement) and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including any amendments or modifications of the Agreement), including (i) monetary obligations, (ii) obligations to take or refrain from taking specific actions and to engage or refrain from engaging in specific activities, including, but not limited to, the non-competition, confidentiality, and transfer requirements, and (iii) the enforcement and other provisions in Sections 17, 19, and 20 of the Agreement, including the arbitration provision.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with Franchisee and among other guarantors; (2) he or she will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Franchisee or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we 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 (including the release of other guarantors), none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement (including extensions), for so long as any performance is or might be owed under the Agreement by Franchisee or its owners, and for so long as we have any cause of action against Franchisee or its owners; and (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any interest in the Agreement or Franchisee, and each of the undersigned waives notice of any and all renewals, extensions, modifications, amendments, or transfers.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation that any of the undersigned may have against Franchisee arising as a result of the undersigned’s execution of and performance under this Guaranty, for the express purpose that none of the undersigned shall be deemed a “creditor” of Franchisee under any applicable bankruptcy law with respect to Franchisee’s obligations to us; (ii) all rights to require us to proceed against Franchisee for any payment required under the Agreement, proceed against or exhaust any security from Franchisee, take any action to

assist any of the undersigned in seeking reimbursement or subrogation in connection with this Guaranty, or pursue, enforce or exhaust any remedy, including any legal or equitable relief, against Franchisee; (iii) any benefit of, any right to participate in, any security now or hereafter held by us; and (iv) acceptance and notice of acceptance by us of his, her or its undertakings under this Guaranty, all presentments, demands, and notices of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protests, notices of dishonor, and notices of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices and legal or equitable defenses to which he, she or it may be entitled. We shall have no present or future duty or obligation to the undersigned under this Guaranty, and each of the undersigned waives any right to claim or assert any such duty or obligation, to discover or disclose to the undersigned any information, financial or otherwise, concerning Franchisee, any other guarantor, or any collateral securing any obligations of Franchisee to us. Without affecting the obligations of the undersigned under this Guaranty, we may, without notice to the undersigned, extend, modify, supplement, waive strict compliance with, or release all or any provisions of the Agreement or any indebtedness or obligation of Franchisee, or settle, adjust, release, or compromise any claims against Franchisee or any other guarantor, make advances for the purpose of performing any obligations of Franchisee under the Agreement, assign the Agreement or the right to receive any sum payable under the Agreement, and the undersigned each hereby jointly and severally waive notice of same. The undersigned expressly acknowledge that the obligations hereunder survive the expiration or termination of the Agreement.

In addition, the undersigned each waive any defense arising by reason of any of the following: (a) any disability or any counterclaim or right of set-off or other defense of Franchisee, (b) any lack of authority of Franchisee with respect to the Agreement, (c) the cessation from any cause whatsoever of the liability of Franchisee, (d) any circumstance whereby the Agreement shall be void or voidable as against Franchisee or any of Franchisee's creditors, including a trustee in bankruptcy of Franchisee, by reason of any fact or circumstance, (e) any event or circumstance that might otherwise constitute a legal or equitable discharge of the undersigned's obligations hereunder, except that the undersigned do not waive any defense arising from the due performance by Franchisee of the terms and conditions of the Agreement, (f) any right or claim of right to cause a marshaling of the assets of Franchisee or any other guarantor, and (g) any act or omission of Franchisee.

If we are required to enforce this Guaranty in a judicial or arbitration proceeding, and prevail in such proceeding, we shall be entitled to reimbursement of our costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', arbitrators', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the undersigned shall reimburse us for any of the above-listed costs and expenses we incur.

Subject to the arbitration obligations and the provisions below, each of the undersigned agrees that all actions arising under this Guaranty or the Agreement, or otherwise as a result of the relationship between us and the undersigned, must be commenced in the state or federal court of general jurisdiction in the district where we have our headquarters at the time the action is commenced, and each of the undersigned irrevocably submits to the jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts. Nonetheless, each of the undersigned agrees that we may enforce this Guaranty and any arbitration orders and awards in the courts of the state or states in which he or she is domiciled. EACH OF THE UNDERSIGNED IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, ARISING UNDER OR RELATING TO THIS GUARANTY OR ITS ENFORCEMENT.

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

**Guarantors:**

**Percentage Of Ownership  
In Franchisee [or Spousal Interest]**

\_\_\_\_\_  
[Print Name]

\_\_\_\_\_%

\_\_\_\_\_  
[Print Name]

\_\_\_\_\_%

\_\_\_\_\_  
[Print Name]

\_\_\_\_\_%

\_\_\_\_\_  
[Print Name]

\_\_\_\_\_%

\_\_\_\_\_  
[Print Name]

\_\_\_\_\_%

**EXHIBIT E**  
**LEASE RIDER**



## TIDE LAUNDROMAT FRANCHISEE LEASE RIDER

**THIS FRANCHISEE LEASE RIDER** (the “Rider”) is attached to, incorporated into, and made an integral part of the preceding \_\_\_\_\_ (the “Lease”) between \_\_\_\_\_ (“Landlord”), and \_\_\_\_\_ (“Tenant”), for the premises located at \_\_\_\_\_ (the “Premises”), with the intention that it will be effective on the date that the Lease is effective (the “Lease Date”).

1. **Preamble.** Tenant will operate a “Tide Laundromat” business at the Premises pursuant to that certain franchise agreement dated \_\_\_\_\_, 20\_\_ (the “Franchise Agreement”), and that certain development rights agreement dated \_\_\_\_\_, 20\_\_ (the “DRA”), between Tenant and Agile Pursuits Franchising, Inc., an Ohio corporation (the “Franchisor”).

2. **Purpose and Interpretation of Rider.** This Rider is given pursuant to Section 3.D of the DRA and for the purpose of inducing the Franchisor to approve the Lease and accept the Premises as an authorized location for the operation of a “Tide Laundromat” business, and Landlord acknowledges and agrees that the Franchisor will rely on the provisions of the Lease and this Rider. If there is any conflict between this Rider and any provision of the Lease, the terms of this Rider will be construed to control. Nothing in this Rider will be construed to: (a) obligate Landlord to comply with the requirements of the Franchise Agreement or the DRA; or (b) obligate the Franchisor to comply with the requirements of the Lease.

3. **No Modification without Franchisor’s Approval.** No modification of the Lease will be effective unless and until Landlord has received written consent from the Franchisor, confirming that the Franchisor has reviewed and accepted the terms of the modification; but no such approval will be construed to obligate the Franchisor to assume or perform any obligation under the Lease or any such amendment.

4. **Limitation on Use of Premises.** The Premises may be used only for the operation of a “Tide Laundromat” retail business, and for no other purpose during the term of the Lease (the “Term”).

5. **Waiver of Rights to Marks and Business Assets.** So long as Tenant complies with the Franchise Agreement and the requirements of all applicable laws, at Tenant’s sole cost and expense, Tenant will have the right to display at the Premises the licensed trade names, trademarks, service marks and other commercial symbols for “Tide Laundromat” businesses, as such trade names, trademarks, marks and symbols are modified by Franchisor from time to time (collectively, the “Marks”), consistent with the requirements in the Franchise Agreement and Franchisor’s operations manual. Landlord waives any and all liens and other rights in or to the Marks and to the trade fixtures, equipment and other assets used in the operation of the “Tide Laundromat” business at the Premises, including, but not limited to, liens and rights which might otherwise arise by operation of applicable laws. Landlord shall provide Franchisor (or Franchisor’s designated representative or agent) full access to the Premises upon expiration, termination or transfer of either the Lease or the Franchise Agreement, for a period of at least fifteen (15) days, to de-identify, replace, refurbish, and/or remove from the Premises any property bearing the Marks, proprietary software, equipment, and any and all furniture and fixtures installed by Tenant or installed in connection with the Lease. Franchisor shall have the right, but not the obligation, to repaint any portion of the interior of the Premises.

6. **Notice to Franchisor; Opportunity to Cure.** If Landlord notifies Tenant that it has failed to perform its obligations under the Lease (a “Default”), Landlord will simultaneously deliver a copy of the notice to the Franchisor. And, if Tenant fails to cure any Default within the applicable cure period granted in the Lease, Landlord will not terminate Tenant’s rights under this Lease until Landlord has: (a) given the

Franchisor notice confirming Tenant's failure to cure the Default and a specific description of the actions necessary to cure the Default (a "Default Notice"), and (b) allowed the Franchisor fifteen (15) days after delivery of the Default Notice to cure the Default (or in the case of a non-monetary default, to notify Landlord of its intention to cure and to initiate the actions necessary to cure the Default). Nothing in this Section will be construed to obligate the Franchisor to cure any Default, but if the Franchisor timely cures a Default (or initiates and diligently pursues the steps required to cure the Default), then Landlord will accept the cure and neither the Lease nor Tenant's rights under the Lease will be terminated.

7. **Franchisor's Right to Receive Certain Tenant Information.** If the Franchisor requests copies of any information Tenant has provided to Landlord in connection with the Lease (including confidential information, such as sales reports), Tenant waives any otherwise applicable restrictions on confidentiality and authorizes Landlord to comply with the request; and Landlord agrees to promptly deliver copies of any such information to the Franchisor.

8. **Special Agreements Regarding Assignment of Tenant's Interest Under Lease.**

(a) Tenant will have the right to assign its interest under the Lease to the Franchisor (or any affiliate of the Franchisor designated by the Franchisor, including, without limitation, Agile Pursuits, Inc.) at any time during the Term, and Landlord will recognize the Franchisor (or the designated affiliate) as the Tenant under the Lease, so long as the Franchisor (or the designated affiliate) delivers a written agreement accepting the assignment and assuming the obligations of Tenant under the Lease (the "Franchisor/Affiliate Assignment").

(b) Following the delivery of any such Franchisor/Affiliate Assignment, the Franchisor (or the designated affiliate) will have the right to assign its interest under the Lease, subject to any and all conditions and requirements for assignment which may be imposed in the Lease; except that the Franchisor (or the designated affiliate) will have the unconditional right to assign its interest under the Lease to another "Tide Laundromat" franchisee, so long as no uncured events of Default are in effect on the date of the assignment, and the new franchisee delivers a written agreement accepting the assignment and assuming the obligations of Tenant under the Lease from and after the date of the assignment (a "Franchisee Assignment"). Upon the delivery of any such Franchisee Assignment, the Franchisor (or the designated affiliate) shall be released from all obligations under the Lease.

9. **No Release.** Except as otherwise set forth in the last sentence of Section 8(b) of this Rider as it relates to the Franchisor (or the designated affiliate), nothing in this Rider, and no assignment pursuant to this Rider, will be construed to release Tenant from its obligations under the Lease.

10. **Enforcement by Franchisor.** It is expressly acknowledged and agreed that the Franchisor is a third party beneficiary of the agreements of Landlord set forth in this Rider. Tenant and/or the Franchisor shall have the right to enforce Landlord's agreements in this Rider.

11. **Notices.** All notices given pursuant to this Rider will be given in the manner required in the Lease, except that notices to the Franchisor will be delivered to:

Agile Pursuits Franchising, Inc.  
2 Procter and Gamble Plaza, TE-16  
Cincinnati, Ohio 45202  
Attn: Tide Laundromat Real Estate  
Phone: (513) 983-2615

Franchisor shall have the right to change its address for notices given pursuant to this Rider at any time by delivering written notice of such change to Landlord in the manner required in the Lease.

The parties have signed this Rider to be effective as of the Lease Date.

LANDLORD:

TENANT:

\_\_\_\_\_

\_\_\_\_\_

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

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

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

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

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

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

**EXHIBIT F**

**PGP SERVICE AGREEMENT**

**SERVICE AGREEMENT**

THE PROCTER &amp; GAMBLE DISTRIBUTING LLC / P&amp;G PROFESSIONAL

---

Customer Name

---

---

Payment/Billing Address

---

---

City

---

---

State

---

---

Zip Code

---

---

Attention

---

---

Customer's Federal Tax Identification Number

---

This Agreement is entered into and is by and between The Procter & Gamble Distributing LLC ("P&G"), with a mailing address at 2 Procter & Gamble Plaza, Cincinnati, Ohio 45202 and the customer named above ("Customer").

The P&G Professional Service ("Program") is a service program offered to Customer. P&G agrees to provide service, as outlined below, at the locations listed (Attachment A).

In consideration of the mutual agreements herein, the parties agree as follows:

**Term and Cost:** This service program in a 12 month program, with the initial period from \_\_\_\_ through \_\_\_\_\_. This service program renews automatically if a renewal is paid before expiration of the prior 12 month period. The cost of the program is \$4,500 per year per location. This includes the cost of all labor and common wear parts that are changed during the course of any service activity. The value of a common wear part is defined as any single items that costs less than \$100.

**Service:** P&G Professional will provide each Tide Laundromat service to support the chemical dispensing programs in use by each individual location. This can include systems to dose into individual laundry machines as well as chemical dispensing for general facility cleaning. As part of signing this agreement the authorized representative acknowledges and agrees to allow P&G employees access to their Tide laundromat location(s) for them perform service needed to maintain their equipment.

**Preventative Maintenance (PM):** P&G Professional will perform routine onsite visits to check the dispensing system, make adjustments, and change out common wear parts associated with properly dispensing chemicals. Service frequency is typically dictated by the needs of the equipment. P&G will perform an "in person" PM at least four times per year. P&G may increase this frequency at its sole discretion.

**Reactive Service (RSC):** P&G Professional will provide reactive service to fix any issues that may occur between routine PM visits. To activate an RSC, an authorized representative for the Tide Laundromat location must contact the P&G service center by phone at 800-332-7787. The call center is open for service calls 24 hours a day, 365 days per year. A typical RSC is scheduled for in person visit the next business day and are scheduled between 8am and 5pm local time. In rare occasions, where the issue dramatically impacts the laundromat's ability to run at least 25% of their machines, a technician can be dispatched for a business-critical service calls. Targeted response for a business-critical service call is four hours after reporting the problem to the P&G Professional call center. In some less populated markets, four hour response may not be feasible.

**Remote monitoring:** P&G Professional will utilize equipment that is capable of connectivity that enables remote reporting and programming. This is a valuable tool to proactively identify potential issues. In addition, remote monitoring may allow for some adjustments to ensure optimal performance of the equipment. P&G Professional will enable and gather data remotely when feasible and will use this data to help deliver optimal program performance. The cost for remote monitoring is based on P&G Professional's global contract with our equipment vendor. These costs will be invoiced to the franchisee based on the rates established with the vendor and may change from time to time.

**Scope of Service:** This service agreement exclusively covers the ongoing preventative maintenance and periodic reactive service needs associated with the dispensing equipment installed. This agreement is not a warranty on the dispensing equipment itself. This agreement also does not cover any service needs related to the laundry machine. Customer acknowledges that any significant malfunction or catastrophic failure of the dosing system beyond the scope of ongoing maintenance is their responsibility to resolve.

**Program Compliance:** P&G Professional will only provide service when the dispensing equipment is utilizing chemicals authorized for use. Any use of unauthorized chemicals will result in immediate termination of P&G service obligations related to this agreement.

**Taxes and Fees:** All taxes, assessments, license fees, and registration fees resulting from the use or operation of equipment shall be the responsibility of the location.

**Trademarks:** Neither party shall use, in any respect, without the prior consent of the other, any trademarks or service marks of the other party, on packaging for chemicals or equipment, on marketing materials, on Customer's or any of Customer's franchisees' premises, or otherwise.

**Indemnity of P&G for Property Damages and Personal Injuries:** Customer shall be responsible, and assumes all liability, for any and all property damage and personal injury, including death, which may arise in connection with Customer's improper installation, maintenance, use or operation of the equipment. In this regard, Customer agrees to indemnify P&G, its officers, agents and employees for any and all judgments, orders, decrees,

PGP 2074 Tide Laundromat  
costs, losses, damages, expenses, including attorney’s fees, and claims on account of such property damage or personal injury, including death, sustained by Customer, P&G or any third person while the equipment is under the care, custody and control of Customer.

Indemnity of Customer: P&G shall indemnify and hold harmless Customer and its officers, agents, employees, directors, shareholders, affiliates, and assigns (the “Indemnified Parties”) against, and hold Indemnified Parties wholly harmless from, any and all claims, actions, suits, proceedings, demands, damages, and liabilities of whatever nature, and all costs and expenses, including without limitation Indemnified Parties’ reasonable attorneys’ fees and expenses, relating to or in any way arising out of any claims for liability in tort with respect to the Merchantability of Specified Brands.

This Agreement represents the entire understanding between the parties relating to the purchase of products covered by this Agreement. It supersedes any other previous agreements or contracts between P&G and Customer, whether expressed or implied, oral or written. Failure by either party to enforce any of its rights under this Agreement shall not constitute a waiver of such rights under this Agreement. This Agreement shall be interpreted under the laws of the state of Ohio, without effect, if any, of any applicable conflict of law considerations. Any dispute concerning or related to this Agreement shall be heard and/or filed in the district courts of Hamilton County, Ohio or the relevant United States District Court. The parties submit to the jurisdiction of said Court(s) and waive any and all objection to venue and/or personal jurisdiction.

<hr/>		<hr/>	
(Signed – For the Customer)		(For P&G – Senior Director or Above)	
<hr/>		<hr/>	
(Title)		(Title)	
<hr/>		<hr/>	
(Date)		(Account Handler – Print Name)	
Original: The Procter & Gamble Distributing LLC Attn: Barry Bryant TE-6 Two P&G Plaza Cincinnati, OH 45202	Copy: The Procter & Gamble Distributing LLC Customer Logistics & Financial Services PGP Promotion Fund Management P.O. Box 599 TN-7 PGP	Copy: Customer	Copy: P&G Account Handler

Cincinnati, OH 45202

**ATTACHMENT A**

**Tide Laundromat Locations**

**Must include:**

**Physical Address for Service**

**Billing Address**

**Billing Contact (phone and email)**

*(TO BE ATTACHED BY CUSTOMER)*



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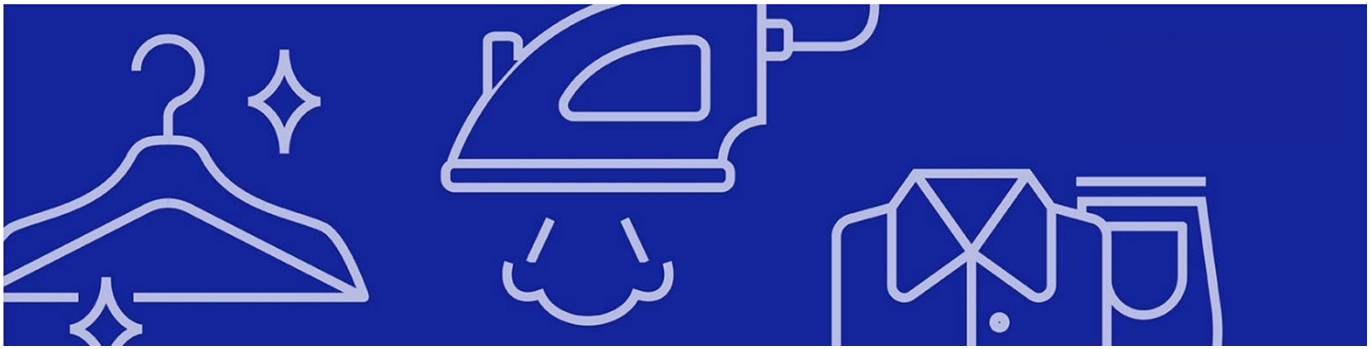
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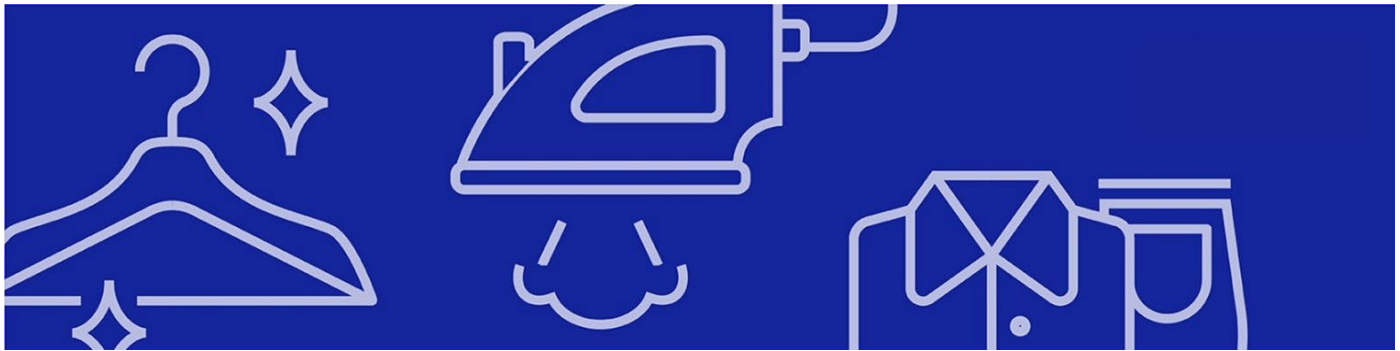


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## **EXHIBIT H**

### **LIST OF FRANCHISEES AND FRANCHISEES THAT LEFT THE SYSTEM**

## LIST OF STATE ADMINISTRATORS

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

<b>CALIFORNIA</b> Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 / Toll Free: (866) 275-2677 Email: ASK.DFPI@dfpi.ca.gov Website: <a href="http://www.dfpi.ca.gov">http://www.dfpi.ca.gov</a>	<b>NEW YORK</b> NYS Department of Law Investor Protection Bureau 28 Liberty St. 21st Fl New York, NY 10005 (212) 416-8222
<b>HAWAII</b> Commissioner of Securities Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	<b>NORTH DAKOTA</b> North Dakota Securities Department State Capitol Department 414 600 East Boulevard Avenue, Fourteenth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
<b>ILLINOIS</b> Illinois Office of the Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	<b>RHODE ISLAND</b> Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
<b>INDIANA</b> Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	<b>SOUTH DAKOTA</b> Division of Insurance Securities Regulation 124 South Euclid Avenue, 2 <sup>nd</sup> Floor Pierre, South Dakota 57501 (605) 773-3563
<b>MARYLAND</b> Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	<b>VIRGINIA</b> State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051
<b>MICHIGAN</b> Michigan Attorney General’s Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1 <sup>st</sup> Floor Lansing, Michigan 48913 (517) 335-7567	<b>WASHINGTON</b> Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, Washington 98504-1200 (360) 902-8760
<b>MINNESOTA</b> Minnesota Department of Commerce 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	<b>WISCONSIN</b> Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

**AGENTS FOR SERVICE OF PROCESS**

**AGENTS FOR SERVICE OF PROCESS**

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

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

**EXHIBIT I**  
**FINANCIAL STATEMENTS**

# **Agile Pursuits Franchising, Inc.**

**Financial Statements**

**Years Ended June 30, 2024, 2023 and 2022**

**With Independent Auditors' Report**

# **AGILE PURSUITS FRANCHISING, INC.**

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## **Independent Auditors' Report**

Board of Directors  
Agile Pursuits Franchising, Inc.  
Cincinnati, Ohio

### **Opinion**

We have audited the accompanying financial statements of Agile Pursuits Franchising, Inc. (an Ohio corporation), which comprise the balance sheets as of June 30, 2024 and 2023, and the related statements of operations, equity (deficit), and cash flows for the years ended June 30, 2024, 2023 and 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 Agile Pursuits Franchising, Inc. as of June 30, 2024 and 2023, and the results of its operations and its cash flows for the years ended June 30, 2024, 2023 and 2022 in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

### **Responsibilities of Management for the Financial Statements**

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

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

**Independent Auditors' Report  
(Continued)**

**Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Agile Pursuits Franchising, Inc.'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 Agile Pursuits Franchising, Inc.'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.

*Barnes, Dennig & Co., Ltd.*

October 10, 2024  
Crestview Hills, Kentucky

# AGILE PURSUITS FRANCHISING, INC.

## Balance Sheets June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>Assets</b>		
<b>Current:</b>		
Cash	\$ 7,747,947	\$ 3,633,889
Prepaid expenses	86,441	-
Contract accounts receivable	<u>521,445</u>	<u>354,700</u>
Total current assets	<u>8,355,833</u>	<u>3,988,589</u>
<b>Deferred tax asset</b>	<u>516,169</u>	<u>467,021</u>
Total assets	<u><u>\$ 8,872,002</u></u>	<u><u>\$ 4,455,610</u></u>
<b>Liabilities</b>		
<b>Current:</b>		
Accounts payable	\$ 626,059	\$ 348,856
Accrued payroll and benefits	743,533	237,324
Accounts payable - related party	1,410,305	2,270,604
Contract liability - deferred revenue	<u>188,000</u>	<u>122,124</u>
Total current liabilities	<u>2,967,897</u>	<u>2,978,908</u>
<b>Contract liability - deferred revenue - long-term</b>	<u>1,945,910</u>	<u>1,879,326</u>
Total liabilities	<u>4,913,807</u>	<u>4,858,234</u>
<b>Stockholder's Equity (Deficit)</b>		
Common stock \$1 stated value per share, 1,000 shares authorized, issued and outstanding	1,000	1,000
Divisional equity (deficit)	<u>3,957,195</u>	<u>(403,624)</u>
Total stockholder's equity (deficit)	<u>3,958,195</u>	<u>(402,624)</u>
Total liabilities and stockholder's equity (deficit)	<u><u>\$ 8,872,002</u></u>	<u><u>\$ 4,455,610</u></u>

The accompanying notes are an integral part of these financial statements

# AGILE PURSUITS FRANCHISING, INC.

## Statements of Operations Years Ended June 30, 2024, 2023 and 2022

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Revenue:</b>			
Franchisee fees	\$ 431,584	\$ 424,152	\$ 305,959
Continuing services royalty fees	5,718,568	5,234,126	4,505,030
Other revenue	<u>5,310,216</u>	<u>4,652,705</u>	<u>3,563,553</u>
Total revenue	<u>11,460,368</u>	<u>10,310,983</u>	<u>8,374,542</u>
<b>Expenses:</b>			
Salaries and benefits	4,927,016	4,315,416	3,193,533
Selling, general and other administrative expenses	3,125,502	3,276,746	2,747,264
Marketing	<u>2,317,340</u>	<u>2,409,010</u>	<u>1,792,291</u>
Total expenses	<u>10,369,858</u>	<u>10,001,172</u>	<u>7,733,088</u>
Income before income tax (expense) benefit	1,090,510	309,811	641,454
<b>Income tax (expense) benefit</b>	<u>(255,462)</u>	<u>119,244</u>	<u>(229,018)</u>
Net income	<u>\$ 835,048</u>	<u>\$ 429,055</u>	<u>\$ 412,436</u>

The accompanying notes are an integral part of these financial statements

# AGILE PURSUITS FRANCHISING, INC.

## Statements of Equity (Deficit) Years Ended June 30, 2024, 2023 and 2022

	<u>Common Stock</u>	<u>Divisional Equity (Deficit)</u>	<u>Total Equity (Deficit)</u>
<b>Balance at June 30, 2021</b>	\$ 1,000	\$ (3,320,665)	\$ (3,319,665)
Net income	-	412,436	412,436
Contributions	-	9,127,964	9,127,964
Distributions	<u>-</u>	<u>(8,546,844)</u>	<u>(8,546,844)</u>
<b>Balance at June 30, 2022</b>	1,000	(2,327,109)	(2,326,109)
Net income	-	429,055	429,055
Contributions	-	7,730,568	7,730,568
Distributions	<u>-</u>	<u>(6,236,138)</u>	<u>(6,236,138)</u>
<b>Balance at June 30, 2023</b>	1,000	(403,624)	(402,624)
Net income	-	835,048	835,048
Contributions	-	8,525,771	8,525,771
Distributions	<u>-</u>	<u>(5,000,000)</u>	<u>(5,000,000)</u>
<b>Balance at June 30, 2024</b>	<u>\$ 1,000</u>	<u>\$ 3,957,195</u>	<u>\$ 3,958,195</u>

The accompanying notes are an integral part of these financial statements

# AGILE PURSUITS FRANCHISING, INC.

## Statements of Cash Flows Years Ended June 30, 2024, 2023 and 2022

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities:</b>			
Net income	\$ 835,048	\$ 429,055	\$ 412,436
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Deferred income tax (benefit) expense	(49,148)	(158,067)	249,387
(Increase) decrease in:			
Contract accounts receivable	(166,745)	(75,032)	48,262
Prepaid expenses	(86,441)	-	-
Increase (decrease) in:			
Accounts payable	277,203	(131,890)	(1,059,278)
Accrued payroll and benefits	506,209	(11,620)	(15,996)
Contract liability - deferred revenue	132,460	(183,591)	(425,931)
	<u>1,448,586</u>	<u>(131,145)</u>	<u>(791,120)</u>
Net cash provided by (used in) operating activities			
<b>Cash flows from financing activities:</b>			
Contributions	8,525,771	7,730,568	9,127,964
Distribution	(5,000,000)	(6,236,138)	(8,336,844)
Advances on accounts payable - related party	1,410,305	2,270,604	-
Payments on accounts payable - related party	(2,270,604)	-	-
	<u>2,665,472</u>	<u>3,765,034</u>	<u>791,120</u>
Net cash provided by financing activities			
Net change in cash	<u>4,114,058</u>	<u>3,633,889</u>	<u>-</u>
<b>Cash - beginning of year</b>	<u>3,633,889</u>	<u>-</u>	<u>-</u>
<b>Cash - end of year</b>	<u><u>\$ 7,747,947</u></u>	<u><u>\$ 3,633,889</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements

## **AGILE PURSUITS FRANCHISING, INC.**

### **Notes to Financial Statements**

#### **NOTE 1 BUSINESS ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

##### ***Nature of Business and Liquidity***

Agile Pursuits Franchising, Inc. (the "Company") is a wholly-owned subsidiary of The Procter and Gamble Company ("P&G"). The Company is financially dependent on P&G to finance its operations. The Company was formed on December 10, 2008 under the laws of the state of Ohio. The Company files Franchise Disclosure Documents ("FDD") with various states for the right to grant licenses to third-parties to operate various franchises.

In October 2009, the Company began selling franchises to operate facilities providing premium dry cleaning, laundering and related fabric and garment care services and products under the "Tide Cleaners" trade name.

During 2023, the Company began selling franchises to operate facilities providing laundromat services under the "Tide Laundromat" trade name.

The franchisees are granted the right to operate facilities using certain trade names within protected areas over defined terms. These franchise agreements also have time and performance based renewals.

The Company is continually evaluating other franchising opportunities, and assuming successful proof of concept, intends to sell franchises related to those concepts.

##### ***Basis of Presentation***

The financial statements include the accounts of the Company. The Company's fiscal year begins on July 1<sup>st</sup> and ends on June 30<sup>th</sup> of each year. The financial statements presented within are for the years ended June 30, 2024, 2023, and 2022.

##### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying disclosures. Actual results could differ from those estimates.

##### ***Contract Accounts Receivable***

Accounts receivable consist primarily of amounts due from franchisees for royalties and initial fees on newly signed franchise agreements, along with marketing fees and sponsorship fees for the bi-annual convention.

##### ***Allowance for Credit Losses***

On a continuing basis, the Company analyzes contract accounts receivable and, once these contract receivables are determined to be uncollectible, they would be written off to a charge to a credit loss allowance account. No credit loss allowance account balance as of June 30, 2024 and 2023. Accounts are reserved for on a case by case basis.

## **AGILE PURSUITS FRANCHISING, INC.**

### **Notes to Financial Statements (Continued)**

#### **NOTE 1 BUSINESS ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### ***Revenue Recognition***

The majority of the Company's revenues come from royalties, marketing fees, store opening fees, and other sources, including development rights fees, technology fees, Mystery Shop fees, POS fees, and Website fees which fall under the scope of ASC 606. The store opening fees (project management, start-up assistance, and new store marketing) are considered distinct, based on significant judgements, and recognized upon completion of service based on the performance obligations not being associated with underlying intellectual property. Payment terms for development rights fees are at time of signing of franchise agreement. Payment terms for store opening fees are due prior to soft opening. Payment terms for all other fees are on a weekly/monthly basis. Substantially all revenue recognized comes from contracts with franchisees. DRA fee is recognized on a straight-line basis once the store opens and every opening anniversary date subsequent to the opening. The current portion of the deferred DRA revenue is based on a judgement of when the store is going to open.

Fees that are transaction based, including royalties and marketing fees are recognized as of the Sunday of each week. Technology, POS, Mystery Shop, and Website fees are recognized monthly.

The Company recognizes start-up assistance fees, project management fees, and grand opening marketing fees as income when the Company has performed all material obligations and services required which generally occurs upon the opening of a store. Until earned, these fees are accounted for as deferred revenue.

Franchisee fees and nonrefundable fees received pursuant to development agreements that grant the right to develop franchised facilities in future periods in specific geographic areas are deferred and recognized on a straight-line basis over the life of the agreement. In certain agreements, the development rights fee can be applied towards the initial franchise fee.

Royalties are accrued as earned and are calculated each period based upon franchise reported sales.

The vast majority of the revenue recognized by the Company is recognized at a point in time with amounts also recognized over time. Approximately \$11,029,000, \$9,887,000, and \$8,069,000 of the total revenue is recognized at a point in time with approximately \$432,000, \$424,000, and \$306,000 recognized over time in fiscal years 2024, 2023 and 2022, respectively. The nature, amount, timing, and uncertainty of revenue and cash flows are affected by several factors that the Company considers in its recognition of revenue. Following are some of the factors considered: amount of new and converted franchises, and timing of signing of franchise agreement.



## **AGILE PURSUITS FRANCHISING, INC.**

### **Notes to Financial Statements (Continued)**

#### **NOTE 1 BUSINESS ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### ***Advertising***

Advertising and marketing costs are expensed as incurred. Advertising and marketing costs, retainers, administrative costs, social media costs, website costs, grand opening costs, less franchisee contributions, were \$2,317,340 \$2,409,010, and \$1,792,291 for the years ended June 30, 2024, 2023 and 2022, respectively.

Under the Company's franchise agreements, the franchisees must contribute to an advertising and development fund (the "Fund"). The Fund is not an asset of the Company. The Company has a contractual obligation to hold the funds for the benefit of the franchisees and use contributions for permitted purposes.

The Fund is used for advertising, marketing and public relations to promote and support the Tide Cleaners brand. The Fund cannot be used to cover general operating expense of the Company but can be used to reimburse the Company for reasonable costs to manage and administer the Fund. The Fund may spend in any fiscal year more or less than the total Fund contributions in that year, borrow from the Company to over deficits or invest any surplus. Funds collected are recorded as a liability by the Company and the related expenses are charged against this account as incurred. The balance in this Fund was \$-0- at June 30, 2024 and 2023.

##### ***Concentration of Credit Risk***

The Company maintains its cash in a bank deposit account which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes they are not exposed to any significant credit risk.

##### ***Income Taxes***

The Company is not a tax paying entity, but rather is included as a wholly-owned subsidiary in P&G's consolidated tax return. The income tax provision is calculated based on the Company's relative contributions to P&G's consolidated income tax provision. Deferred tax assets and liabilities are determined based upon differences between the financial reporting and the tax basis of assets and liabilities and are measured using enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company has no uncertain tax positions.

##### ***Related Party***

Company operations are managed by the employees of P&G. The Company also participates in P&G's central treasury activities. All P&G funding to the Company since inception has been accounted for as capital contributions from P&G. All amounts collected by the Company have been returned to P&G and accounted for as distributions. During 2023, the Company changed the process for how it collects revenue from its franchisees, which led the Company to reflect its own cash on these financial statements. This cash will be used to pay P&G for certain expenses incurred by P&G on behalf of the Company.

## **AGILE PURSUITS FRANCHISING, INC.**

### **Notes to Financial Statements (Continued)**

#### **NOTE 1 BUSINESS ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### ***Adoption of New Accounting Standard***

In June 2016, the Financial Accounting Standards Board 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 the 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 contract accounts receivable. The Company adopted the standard effective July 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new/enhanced disclosures only.

#### **NOTE 2 RELATED PARTY TRANSACTIONS**

The Company received \$8,525,771, \$7,730,568 and \$9,127,964 of capital contributions from P&G and distributed \$5,000,000, \$6,236,138 and \$8,546,844 to P&G during the years ended June 30, 2024, 2023 and 2022, respectively. The Company had an accounts payable balance to P&G of \$1,410,305, \$2,270,604, and \$0- as of June 30, 2024, 2023 and 2022, respectively.

The Company has a service agreement with P&G to provide certain administrative support and management expertise. For the years ended June 30, 2024, 2023 and 2022, the Company recognized \$1,334,298, \$1,658,705, and \$459,913 respectively, of related salaries and benefits expense in the Company's statements of operations.

Certain Tide Cleaners locations are owned and operated by a P&G subsidiary, Agile Pursuits, Inc. The Company does not charge royalty fees to Agile Pursuits, Inc.

The Company utilizes office space at 2 Procter & Gamble Plaza for which they are not charged rent by P&G.

In the years ended June 30, 2024, 2023 and 2022, the Company began assessing marketing fees to Agile Pursuits, Inc., which offset marketing expenses incurred. For the years ended June 30, 2024, 2023 and 2022, the Company received \$114,273, \$60,615, and \$85,220, respectively, from Agile Pursuits, Inc. that are included in other revenue in the Company's statements of operations.

#### **NOTE 3 COMMITMENTS AND CONTINGENCIES**

##### ***Legal Actions***

The Company is subject to certain legal actions arising in the ordinary course of business. No such legal proceedings are, in the opinion of management, expected to have a material adverse effect of the financial position, results of operation, or liquidity of the Company.

# AGILE PURSUITS FRANCHISING, INC.

## Notes to Financial Statements (Continued)

### NOTE 4 INCOME TAXES

The income tax rate for the years ended June 30, 2024, 2023 and 2022:

	2024	2023	2022
U.S. Federal statutory income tax rate	21.0%	21.0%	21.0%
State income tax rate, net of Federal income tax effect	2.2%	2.2%	2.2%
	<u>23.2%</u>	<u>23.2%</u>	<u>23.2%</u>

The components of the provision for income taxes for the years ended June 30, 2024, 2023 and 2022:

	2024	2023	2022
Current expense (benefit)	\$ 304,610	\$ 38,823	\$ (20,369)
Deferred expense (benefit)	(49,148)	(158,067)	249,387
	<u>\$ 255,462</u>	<u>\$ (119,244)</u>	<u>\$ 229,018</u>

The Company's effective tax rate is lower than what is to be expected if the federal statutory rate were applied to income from continuing operations primarily because of the treatment of current deferred revenue for tax purposes.

As of June 30, 2024 and 2023, the Company's deferred tax assets of \$507,945 and \$467,021 respectively, are the results of temporary differences between the book and tax recognition of deferred revenue. This item causes the effective rate of the income tax benefit on the statements of operations to be different than the rates above.

Deferred tax assets and liabilities are considered realized by the Company in the period in which such items are utilized by P&G in its consolidated income tax return. Accordingly, no valuation allowance has been recorded as of June 30, 2024 and 2023.

### NOTE 5 CONCENTRATIONS

While the Company provides services to numerous franchisees, certain franchisees account for a significant portion of sales and accounts receivable. Sales to individual franchisees, and arrangements, constituting 10% or more of total revenue were as follows:

For the years ended June 30,	2024		2023		2022	
Customer B	\$ 1,896,166	17%	\$ 1,914,452	19%	\$ 1,546,373	18%
Customer H	1,159,419	10%	1,135,969	11%	901,904	11%

## AGILE PURSUITS FRANCHISING, INC.

### Notes to Financial Statements (Continued)

#### NOTE 5 CONCENTRATIONS (CONTINUED)

Accounts receivable from individual customers constituting 10% or more of accounts receivable were as follows:

As of June 30,	<u>2024</u>	<u>2023</u>	<u>2022</u>	
Customer K	N/A	N/A	\$ 62,347	20%

#### NOTE 6 SAVINGS PLAN

The Company maintains a 401(k) retirement plan that covers all employees who meet certain eligibility requirements. Participants may defer a portion of their compensation subject to government limitations. The Company expensed \$57,708, \$54,755, and \$52,865 in matching contributions to this plan during the years ended June 30, 2024, 2023 and 2022, respectively.

#### NOTE 7 SUBSEQUENT EVENTS

The Company has evaluated subsequent events through October 10, 2024, the date the financials were available to be issued.

**EXHIBIT J-1**

**VETERANS INCENTIVE PROGRAM ADDENDUM**

**VETERANS INCENTIVE PROGRAM ADDENDUM TO  
TIDE LAUNDROMAT FRANCHISE AGREEMENT**

**THIS VETERANS INCENTIVE PROGRAM ADDENDUM TO TIDE LAUNDROMAT FRANCHISE AGREEMENT** (this “Addendum”) is made and entered into by and between **AGILE PURSUITS FRANCHISING, INC.**, an Ohio corporation located at 2 Procter & Gamble Plaza, Cincinnati, Ohio 45202 (“Franchisor,” “we,” “us,” or “our”), and \_\_\_\_\_, a \_\_\_\_\_ having its principal business address at \_\_\_\_\_ (“Franchisee,” “you,” or “your”) as of the date signed by us and set forth beneath our signature on this Addendum (the “Effective Date”).

**RECITALS**

**RECITALS**

Pursuant to a Tide Laundromat Franchise Agreement dated as of \_\_\_\_\_ (the “Franchise Agreement”), we granted you the right to operate a franchised Tide Laundromat business (the “Franchised Business”).

In order to recognize the contribution of United States military personnel, attract new franchisees and encourage the development of franchised Tide Laundromat businesses, Franchisor has implemented a ~~veterans incentive program~~ **Veterans Incentive Program** (the “Program”) for qualified veteran franchisees that develop and open new Tide Laundromat businesses.

One of your owners who holds at least a fifty-one percent (51%) ownership in ~~you~~ **your entity** is a veteran and has provided us with a DD Form 214, or other adequate documentation, as determined by us, demonstrating honorable discharge from the United States military.

You do not currently operate any Tide Laundromat businesses.

Since your development of the Franchised Business meets the criteria for the Program, the parties are entering into this Addendum to provide the Program benefits to you and to modify certain provisions of the Franchise Agreement.

**NOW, THEREFORE**, in consideration of the mutual promises contained in this Addendum and the Franchise Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

**1. INITIAL FRANCHISE FEE REDUCTION.** Notwithstanding the provisions of Section 3.A of the Franchise Agreement, you will receive a ~~twenty-five~~ **fifty** percent (~~25~~ **50**%) discount off of the Initial Franchise Fee. Therefore, the Initial Franchise Fee owed by you is ~~Thirty-Seven~~ **Twenty-Five** Thousand ~~Five Hundred~~ Dollars (~~\$37,500~~ **25,000**).

**2. REPAYMENT OF DISCOUNT ON TRANSFER OR TERMINATION.** If, prior to the first anniversary of the Opening Date of the Franchised Business, (a) you engage in a transfer under Section 12 of the Franchise Agreement or (b) we terminate the Franchise Agreement, then you must pay to us the discounted portion of the Initial Franchise Fee in the amount of ~~Twelve~~ **Twenty-Five** Thousand ~~Five Hundred~~ Dollars (~~\$12,500~~ **25,000**).

3. **MISCELLANEOUS.**

A. **RECITALS AND INCORPORATION INTO FRANCHISE AGREEMENT.** The Recitals are incorporated into this Addendum by this reference. This Addendum shall be annexed to and form a part of the Franchise Agreement.

B. **ENTIRE AGREEMENT.** This Addendum constitutes the entire, full and complete agreement between the parties concerning the matters herein and supersedes any and all prior agreements. In the event of a conflict between the terms of the Franchise Agreement and this Addendum, the terms of this Addendum shall control. Except as amended, modified or supplemented by this Addendum, the terms and conditions of the Franchise Agreement are hereby ratified and confirmed.

C. **COUNTERPARTS.** This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed to be an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Addendum by electronic transmission (including an electronic signature platform or the transmission of a scanned PDF document) shall be effective as delivery of a manually executed counterpart of this Addendum.

D. **CAPTIONS.** The captions in this Addendum are for the sake of convenience only, and shall neither amend nor modify the terms of this Addendum.

E. **CAPITALIZED TERMS.** All capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

**IN WITNESS WHEREOF**, the parties have executed this Addendum, which is made effective as of the Effective Date.

**FRANCHISOR:**  
**AGILE PURSUITS FRANCHISING, INC.,**  
an Ohio corporation

**FRANCHISEE:**  
**[FRANCHISEE ENTITY],**  
a \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**Effective Date:** \_\_\_\_\_

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

EXHIBIT J-2

WOMEN-OWNED BUSINESS INCENTIVE PROGRAM ADDENDUM



**WOMEN-OWNED BUSINESS INCENTIVE PROGRAM ADDENDUM TO  
TIDE LAUNDROMAT FRANCHISE AGREEMENT**

**THIS WOMEN-OWNED BUSINESS INCENTIVE PROGRAM ADDENDUM TO TIDE LAUNDROMAT FRANCHISE AGREEMENT** (this “Addendum”) is made and entered into by and between **AGILE PURSUITS FRANCHISING, INC.**, an Ohio corporation located at 2 Procter & Gamble Plaza, Cincinnati, Ohio 45202 (“Franchisor,” “we,” “us,” or “our”), and \_\_\_\_\_, a \_\_\_\_\_ having its principal business address at \_\_\_\_\_ (“Franchisee,” “you,” or “your”) as of the date signed by us and set forth beneath our signature on this Addendum (the “Effective Date”).

**RECITALS**

Pursuant to a Tide Laundromat Franchise Agreement dated as of \_\_\_\_\_ (the “Franchise Agreement”), we granted you the right to operate a franchised Tide Laundromat Business (the “Franchised Business”).

In order to recognize the contribution and historical underrepresentation of women, attract new franchisees and encourage the development of franchised Tide Laundromat Businesses, we have implemented a Women-Owned Business Incentive Program (the “Program”) for qualified women-owned businesses that develop and open new Tide Laundromat Businesses.

You have provided us with adequate documentation, as determined by us, demonstrating that women hold at least a fifty-one percent (51%) ownership interest in your entity.

You do not currently operate any Tide Laundromat Businesses.

Since your development of the Franchised Business meets the criteria for the Program, the parties are entering into this Addendum to provide the Program benefits to you and to modify certain provisions of the Franchise Agreement.

**NOW, THEREFORE**, in consideration of the mutual promises contained in this Addendum and the Franchise Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

**1. INITIAL FRANCHISE FEE REDUCTION.** Notwithstanding the provisions of Section 3.A of the Franchise Agreement, you will receive a fifty percent (50%) discount off of the Initial Franchise Fee. Therefore, the Initial Franchise Fee owed by you is Twenty-Five Thousand Dollars (\$25,000).

**2. REPAYMENT OF DISCOUNT ON TRANSFER OR TERMINATION.** If, prior to the first anniversary of the Opening Date of the Franchised Business, (a) you engage in a transfer under Section 12 of the Franchise Agreement or (b) we terminate the Franchise Agreement, then you must pay to us the discounted portion of the Initial Franchise Fee in the amount of Twenty-Five Thousand Dollars (\$25,000).

**3. MISCELLANEOUS.**

**A. RECITALS AND INCORPORATION INTO FRANCHISE AGREEMENT.** The Recitals are incorporated into this Addendum by this reference. This Addendum shall be annexed to and form a part of the Franchise Agreement.

**B. ENTIRE AGREEMENT.** This Addendum constitutes the entire, full and complete agreement between the parties concerning the matters herein and supersedes any and all prior agreements. In the event of a conflict between the terms of the Franchise Agreement and this Addendum, the terms of this Addendum shall control. Except as amended, modified or supplemented by this Addendum, the terms and conditions of the Franchise Agreement are hereby ratified and confirmed.

**C. COUNTERPARTS.** This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed to be an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Addendum by electronic transmission (including an electronic signature platform or the transmission of a scanned PDF document) shall be effective as delivery of a manually executed counterpart of this Addendum.

**D. CAPTIONS.** The captions in this Addendum are for the sake of convenience only, and shall neither amend nor modify the terms of this Addendum.

**E. CAPITALIZED TERMS.** All capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

**IN WITNESS WHEREOF,** the parties have executed this Addendum, which is made effective as of the Effective Date.

**FRANCHISOR:**  
**AGILE PURSUITS FRANCHISING, INC.,**  
an Ohio corporation

**FRANCHISEE:**  
**[FRANCHISEE ENTITY],**  
a

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Effective Date: \_\_\_\_\_

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

**EXHIBIT K**

**FRANCHISEE DISCLOSURE QUESTIONNAIRE**

**AGILE PURSUITS FRANCHISING, INC. – TIDE CLEANERS**  
**FRANCHISEE DISCLOSURE QUESTIONNAIRE**

As you know, Agile Pursuits Franchising, Inc. (“we,” “us,” or “our”) and you are preparing to enter into a Development Rights Agreement and/or a Franchise Agreement (the “Agreement”) for the development and operation of a Tide Laundromat business. Please review each of the following questions carefully and provide complete responses to each question.

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

Yes \_\_\_ No \_\_\_

2. Did you sign a Receipt, or do you have a printed copy of the e-mail confirmation from the online download center, indicating the date on which you received the Franchise Disclosure Document?

Yes \_\_\_ No \_\_\_

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

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

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*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 Washington Franchise Investment Protection Act or any other state franchise registration and disclosure law.*

*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.*

\*\*\*\*\*

You acknowledge that one or more other copies of this Questionnaire have been reviewed and signed by the owners of your proposed business entity.

#### FRANCHISE APPLICANT

\_\_\_\_\_  
[Insert name of Franchise Applicant]

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

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

#### OWNER(S) OF FRANCHISE APPLICANT

\_\_\_\_\_  
[Insert name of Owner]

\_\_\_\_\_  
[Signature of Owner]

**EXHIBIT L**

**STATE-SPECIFIC ADDENDA**

**EXHIBIT L-1**

**STATE SPECIFIC ADDITIONAL FDD DISCLOSURES**

~~California~~

~~Illinois~~

~~Maryland~~

~~Michigan~~

~~Minnesota~~

~~New York~~

~~North Dakota~~

~~Rhode Island~~

~~South Dakota~~

~~Virginia~~

~~Washington~~

**AGILE PURSUITS FRANCHISING, INC. – TIDE LAUNDROMAT  
ADDITIONAL FDD DISCLOSURES**

The following are additional disclosures for the Tide Laundromat Franchise Disclosure Document required by various state franchise laws. A particular state's disclosures only apply if you are covered by that state's franchise law.

**CALIFORNIA**

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

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

SEE THE COVER PAGE OF THE DISCLOSURE DOCUMENT FOR OUR URL ADDRESS. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

2. The following paragraphs are added at the end of Item 17 of the Disclosure Document:

California Law Regarding Termination and Nonrenewal. California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees concerning termination, transfer or nonrenewal of the franchise. If the Franchise Agreement contains any provision that is inconsistent with the law, and the law applies, then the law will control.

Termination Upon Bankruptcy. The Franchise Agreement provides for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.)

Covenant not to Compete. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

Applicable Law. The Franchise Agreement requires application of the laws of the State of Ohio. These provisions might not be enforceable under California law.

Arbitration. The Franchise Agreement requires binding arbitration. The arbitration will occur at a suitable site that the panel of three (3) arbitrators chooses within the Cincinnati, Ohio metropolitan area with the costs being borne as the arbitrator determines. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provision of the Franchise Agreement restricting venue to a forum outside the State of California.



Releases. The Franchise Agreement requires you to sign a general release of claims upon renewal or transfer of the Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 – 31516). Business and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

Liquidated Damages. The Franchise Agreement contains liquidated damages clauses. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

## **ILLINOIS**

1. The following is added at the end of Item 5 of the Disclosure Document:

Payment of the Initial Franchise Fee and other initial payments will be deferred until the franchisor has met its initial obligations to the franchisee under the Franchise Agreement, and the franchisee has commenced doing business.

If you sign a Development Rights Agreement, payment of the Development Rights Fee and other initial payments will be deferred until the franchisor has completed its pre-opening obligations and you open the first Tide Laundromat Business to be developed under the Development Rights Agreement. At that time, you shall pay to the franchisor the Development Rights Fee and any other initial payments owed.

This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to franchisor's financial condition.

2. Illinois law governs the Franchise Agreement.
3. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
4. Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
5. In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
6. 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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

## **MARYLAND**

1. The “Summary” sections of Items 17(c) and 17(m) of the Franchise Agreement chart in the Disclosure Document are amended by adding the following:

Any general releases you sign as a condition of renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

2. The “Summary” section of Item 17(h) of the Franchise Agreement chart in the Disclosure Document is amended by adding the following:

The Franchise Agreement provides for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we and you agree to enforce it to the extent the law allows.

3. The “Summary” section of Item 17(v) of the Franchise Agreement chart in the Disclosure Document is deleted and replaced with the following:

Subject to arbitration requirements, litigation must be in courts in Cincinnati, Ohio, although you may, subject to your arbitration obligation, bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. The “Summary” section of Item 17(w) of the Franchise Agreement chart in the Disclosure Document is deleted and replaced with the following:

Except for Federal Arbitration Act and other federal law, and as otherwise required by applicable law for claims arising under the Maryland Franchise Registration and Disclosure Law, Ohio law governs.

5. The following language is added at the end of Item 17 of the Disclosure Document:

Despite any contradicting provision in the Franchise Agreement, you have 3 years from the date on which we grant you the franchise to bring a claim under the Maryland Franchise Registration and Disclosure Law.

6. The following language is added at the end of Item 5 of the Disclosure Document:

Based upon our financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until we complete our pre-opening obligations under the Franchise Agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the Development Rights Agreement opens.

## **MICHIGAN**

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

- (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 the Michigan Franchise Investment Act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 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, 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 six months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.\*
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
  - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
  - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
  - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
  - (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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\* Note: Despite paragraph (f) above, we intend to enforce fully any arbitration provisions contained in our Franchise Agreement and Development Rights Agreement. We believe that paragraph (f) is unconstitutional and cannot preclude either party from enforcing an agreement to arbitrate.

- (h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).
- (i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations 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:

Michigan Attorney General's Office  
Corporate Oversight Division, Franchise Section  
525 West Ottawa Street  
G. Mennen Williams Building, 1<sup>st</sup> Floor  
Lansing, Michigan 48913  
(517) 335-7567

## **MINNESOTA**

1. The following language is added at the end of Item 13 of the Disclosure Document:

To the extent required by Minnesota Stat. Sec. 80C.12, Subd. 1(g), we will protect your right to use the Marks and indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks.

2. The following paragraphs are added at the end of Item 17 of the Disclosure Document:

For franchises governed by the Minnesota Franchises Law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us in certain cases from requiring litigation to be conducted outside Minnesota. Those provisions also provide that no condition, stipulations or provision in the Franchise Agreement shall in any way abrogate or reduce any rights you have under the Minnesota Franchises Law, including (if

applicable, and subject to your arbitration obligations) the right to submit matters to the jurisdiction of the courts of Minnesota and the right to any procedure, forum or remedies that the laws of the jurisdiction provide.

Any release as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by applicable law for claims arising under Minn. Rule 2860.4400D.

Minnesota Rule Part 2860.4400J prohibits a franchisee in certain cases from waiving rights to a jury trial; waiving your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction; or consenting to liquidated damages, termination penalties or judgment notes. However, we and you will enforce these provisions in the agreements to the extent the law allows.

3. The following language is added at the end of Item 22 of the Disclosure Document:

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

## **NEW YORK**

1. The following information is added to the State Cover Page of the Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, INVESTMENT PROTECTION BUREAU, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271.

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.

2. The following paragraphs are added at the beginning of Item 3 of the Disclosure Document:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent..

3. The following paragraph is added at the beginning of Item 4 of the Disclosure Document:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within one year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The “Summary” sections of Items 17(c) and 17(m) of the Franchise Agreement chart in the Disclosure Document are amended by adding the following:

, provided, however, that to the extent required by Article 33 of the General Business Law of the State of New York, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of GBL Sections 687.4 and 687.5 be satisfied.

6. The “Summary” section of Item 17(d) of the Franchise Agreement chart in the Disclosure Document is amended by adding the following:

You also may terminate the Franchise Agreement on any grounds available by law.

7. The “Summary” section of Item 17(j) of the Franchise Agreement chart in the Disclosure Document is amended by adding the following:

However, to the extent required by applicable law, we will not make an assignment except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under the Franchise Agreement.

8. The “Summary” sections of Items 17(v) and 17(w) of the Franchise Agreement chart in the Disclosure Document are amended by adding the following:

This choice of law and forum should not be considered a waiver of any right conferred upon you by Article 33 of the General Business Law of the State of New York and the regulations issued thereunder.

9. There are circumstances in which an offering made by us would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the State of New York. However, an offer or sale is deemed made in New York if you are domiciled in and the franchise will be operated in New York. We are required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.

## **NORTH DAKOTA**

1. The following is added at the end of Item 5 of the Disclosure Document:

Payment of the Initial Franchise Fee and other initial payments will be deferred until the franchisor has met its initial obligations to the franchisee under the Franchise Agreement, and the franchisee has commenced doing business.

2. The “Costs and Attorneys’ Fees” section of Item 6 of the Disclosure Document is amended by adding the following:

Requiring North Dakota franchisees to pay all costs and expenses incurred by the franchisor in enforcing a franchise agreement has been held to be unfair, unjust, and inequitable by the North Dakota Securities Department. For North Dakota franchisees, the prevailing party in any enforcement action shall be entitled to recover all costs and expenses including attorney's fees.

3. The “Early Termination Damages” section of Item 6 of the Disclosure Document is amended by adding the following:

Requiring North Dakota franchisees to consent to liquidated damages or termination penalties has been held to be unfair, unjust, or inequitable by the North Dakota Securities Department.

4. The “Summary” sections of Items 17(c) and 17(m) of the Franchise Agreement chart in the Disclosure Document are amended by adding the following:

Any release executed will not apply, to the extent prohibited by applicable law, with respect to claims arising under the North Dakota Franchise Investment Law.

5. The “Summary” section of Item 17(r) of the Franchise Agreement chart in the Disclosure Document is amended by adding the following:



Covenants not to compete such as those mentioned above generally are considered unenforceable in North Dakota. However, we will seek to enforce them to the extent enforceable.

6. The “Summary” section of Item 17(v) of the Franchise Agreement chart in the Disclosure Document is amended by adding the following:

Subject to arbitration requirements and to the extent required by the North Dakota Franchise Investment Law, you may bring an action in North Dakota.

7. The “Summary” section of Item 17(w) of the Franchise Agreement chart in the Disclosure Document is amended by adding the following:

Except for Federal Arbitration Act and other federal law, North Dakota law governs.

8. Item 22 of the Disclosure Document is amended by adding the following:

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.

## **RHODE ISLAND**

1. The “Summary” section of Item 17(v) of the Franchise Agreement chart in the Disclosure Document is deleted and replaced with the following:

Subject to arbitration requirements, litigation must be in courts in Cincinnati, Ohio, except that, to the extent required by applicable law, you may bring an action in Rhode Island for claims arising under the Rhode Island Franchise Investment Act.

2. The “Summary” section of Item 17(w) of the Franchise Agreement chart in the Disclosure Document is deleted and replaced with the following:

Except for Federal Arbitration Act and other federal law, and except as otherwise required by the Rhode Island Franchise Investment Act, Ohio law governs.

## **SOUTH DAKOTA**

1. The following is added at the end of Item 5 of the Disclosure Document:

Payment of all initial fees (including the Initial Franchise Fee, Plan Review Fee, Sign Layout Fee, Initial Training Charge, Additional Training Fee, and Extension Fee) are postponed until after all of our initial obligations are complete and you open the Tide Laundromat Business for business. If you sign a Development Rights Agreement, payment of all initial fees (including the Development Rights Fee and Extension Fee) are postponed until after all of our initial obligations are complete and your first Tide Laundromat Business is open for business.



## **VIRGINIA**

1. The following is added at the end of Item 5 of the Disclosure Document:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the Initial Franchise Fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the Franchise Agreement. If you sign a Development Rights Agreement, payment of the Development Rights Fee and other initial payments owed to us shall be deferred until we have completed our pre-opening obligations. Payment of the Development Rights Fee will be due to us, on a pro-rata basis, upon our completion of our pre-opening obligations for each Tide Laundromat Business opened under the Development Rights Agreement.

2. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Disclosure Document for use in the Commonwealth of Virginia is amended by adding the following statements to Item 17(h) of the Disclosure Document:

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

3. 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.

## **WASHINGTON**

1. The following paragraphs are added to the end of Item 17 of the Disclosure Document:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW (the "Act") will prevail.

You have the right to terminate the Franchise Agreement and Development Rights Agreement upon any grounds permitted by law.

Section 19.100.180 RCW may supersede the Franchise Agreements and the Development Rights Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreements and the Development Rights Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator at the time of arbitration. In addition, if

litigation is not precluded by the Franchise Agreements or the Development Rights Agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to Section 49.62.020 RCW, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under Section 49.62.030 RCW unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the Franchise Agreements, the Development Rights Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

Section 49.62.060 RCW prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the Franchise Agreements, the Development Rights Agreement or elsewhere are void and unenforceable in Washington.

**EXHIBIT L-2**

**STATE-SPECIFIC AGREEMENT ADDENDA**

**Illinois  
Maryland  
Minnesota  
New York  
North Dakota  
Rhode Island  
South Dakota  
Virginia  
Washington**

**RIDER TO THE AGILE PURSUITS FRANCHISING, INC.  
TIDE LAUNDROMAT FRANCHISE AGREEMENT  
FOR USE IN ILLINOIS**

**THIS RIDER** (the “Rider”) is made and entered into by and between **AGILE PURSUITS FRANCHISING, INC.**, an Ohio corporation located at 2 Procter & Gamble Plaza, Cincinnati, Ohio 45202 (“Franchisor,” “we,” “us,” or “our”), and \_\_\_\_\_, a \_\_\_\_\_ having its principal business address at \_\_\_\_\_ (“Franchisee,” “you,” or “your”) as of the date signed by us and set forth opposite our signature on this Rider (the “Effective Date”).

1. **Background.** We and you are parties to that certain Tide Laundromat Franchise Agreement that has been signed at the same time as the signing of this Rider (“Franchise Agreement”). This Rider is annexed to and forms a part of the Franchise Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the Franchised Business that you will operate under the Franchise Agreement was made in the State of Illinois and the Franchised Business will be located in Illinois, and/or (b) you are a resident of Illinois.

2. **Fee Deferral.** The following language is added to the end of Section 3.A of the Franchise Agreement:

Notwithstanding the foregoing, in the State of Illinois, we will defer the payment of the Initial Franchise Fee and other initial payments you owe to us until we complete our initial obligations, and you open the Franchised Business. At that time, you shall pay to us the Initial Franchise Fee and any other initial payments you owe to us. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to our financial condition.

3. **Termination and Non-Renewal.** The following language is added to the end of Sections 13 and 14 of the Franchise Agreement:

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

4. **Governing Law.** Section 17.F of the Franchise Agreement is deleted and replaced with the following:

All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. Sections 1 et seq.). Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other federal law, this Agreement, the Franchise, and all claims arising from the relationship between us and you will be governed by the laws of the state of Illinois, without regard to its conflict of laws rules, except that any Illinois law regulating the sale of franchises or business opportunities or governing the relationship of a franchisor and its franchisee only applies if the statute covers your situation by its terms without reference to this Section.

5. **Consent to Jurisdiction.** The first sentence of Section 17.G of the Franchise Agreement is deleted and replaced with the following:

Subject to Section 17.E. above and the provisions below, you and your owners agree that all actions arising under this Agreement or otherwise as a result of the relationship between you and us must be commenced in the state or federal court of general jurisdiction in Illinois, and you (and each owner) irrevocably submit to the jurisdiction of those courts and waive any objection you (or the owner) might have to either the jurisdiction of or venue in those courts.

6. Waivers Void. The following is added as a new Section 17.K of the Franchise Agreement:

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

7. Acknowledgements. The following is added as a new Section 22 of the Franchise Agreement:

## **22. ACKNOWLEDGEMENTS.**

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

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

**FRANCHISOR:**  
**AGILE PURSUITS FRANCHISING, INC.,**  
an Ohio corporation

**FRANCHISEE:**  
**[FRANCHISEE ENTITY],**  
a \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**DATED\*:** \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**DATED:** \_\_\_\_\_

(\*Effective Date of this Rider)

**RIDER TO THE AGILE PURSUITS FRANCHISING, INC.  
TIDE LAUNDROMAT DEVELOPMENT RIGHTS AGREEMENT  
FOR USE IN ILLINOIS**

**THIS RIDER** (the “Rider”) is made and entered into by and between **AGILE PURSUITS FRANCHISING, INC.**, an Ohio corporation located at 2 Procter & Gamble Plaza, Cincinnati, Ohio 45202 (“Franchisor,” “we,” “us,” or “our”), and \_\_\_\_\_, a \_\_\_\_\_ having its principal business address at \_\_\_\_\_ (“Developer,” “you,” or “your”) as of the date signed by us and set forth opposite our signature on this Rider (the “Effective Date”).

1. **Background.** We and you are parties to that certain Tide Laundromat Development Rights Agreement that has been signed at the same time as the signing of this Rider (the “Development Rights Agreement”). This Rider is part of the Development Rights Agreement. This Rider is being signed because (a) the offer or sales activity relating to the Development Rights Agreement occurred in the State of Illinois and the Tide Laundromat Business(es) that you will develop under the Development Rights Agreement will be located in Illinois, and/or (b) you are a resident of Illinois.

2. **Fee Deferral.** The following language is added to the end of Section 2 of the Development Rights Agreement:

Notwithstanding the foregoing, in the State of Illinois, we will defer the payment of the Development Rights Fee and other initial payments you owe to us until we complete our initial obligations, and you open the first Tide Laundromat Business that you develop under this Agreement. At that time, you shall pay to us the Development Rights Fee and any other initial payments you owe to us. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to our financial condition.

3. **Termination.** The following language is added to the end of Section 6 of the Development Rights Agreement:

Your rights upon termination of this Agreement are set forth in section 19 of the Illinois Franchise Disclosure Act.

4. **Governing Law.** Section 17.F of the Franchise Agreement, which is incorporated by reference under Section 8 of the Development Rights Agreement, is deleted in its entirety and replaced with the following:

All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. Sections 1 et seq.). Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other federal law, this Agreement, the franchise, and all claims arising from the relationship between us and you will be governed by the laws of the state of Illinois, without regard to its conflict of laws rules, except that any Illinois law regulating the sale of franchises or business opportunities or governing the relationship of a franchisor and its franchisee only applies if the statute covers your situation by its terms without reference to this Section.

5. Consent to Jurisdiction. The first sentence of Section 17.G of the Franchise Agreement, which is incorporated by reference under Section 8 of the Development Rights Agreement, is deleted in its entirety and replaced with the following:

Subject to the arbitration provisions in this Agreement, you and your owners agree that all actions arising under this Agreement or otherwise as a result of the relationship between you and us must be commenced in the state or federal court of general jurisdiction in Illinois, and you (and each owner) irrevocably submit to the jurisdiction of those courts and waive any objection you (or the owner) might have to either the jurisdiction of or venue in those courts.

6. Waivers. The following is added as a new Section 17.K of the Franchise Agreement, which is incorporated by reference under Section 8 of the Development Rights Agreement:

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

7. Acknowledgements. The following is added as a new Section 9 of the Development Rights Agreement:

**9. ACKNOWLEDGEMENTS.**

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

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

**FRANCHISOR:**  
**AGILE PURSUITS FRANCHISING, INC.,**  
an Ohio corporation

**DEVELOPER:**  
**[DEVELOPER ENTITY],**  
a \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**DATED\*:** \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**DATED:** \_\_\_\_\_

(\*Effective Date of this Rider)

**RIDER TO THE AGILE PURSUITS FRANCHISING, INC.  
TIDE LAUNDROMAT FRANCHISE AGREEMENT  
FOR USE IN MARYLAND**

**THIS RIDER** (the “Rider”) is made and entered into by and between **AGILE PURSUITS FRANCHISING, INC.**, an Ohio corporation located at 2 Procter & Gamble Plaza, Cincinnati, Ohio 45202 (“APFI,” “we,” “us,” or “our”), and \_\_\_\_\_, a \_\_\_\_\_ having its principal business address at \_\_\_\_\_ (“Franchisee,” “you,” or “your”) as of the date signed by us and set forth opposite our signature on this Rider (the “Effective Date”).

1. **Background.** We and you are parties to that certain Tide Laundromat Franchise Agreement that has been signed at the same time as the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are a resident of the State of Maryland, and/or (b) your Franchised Business will be located or operated in Maryland.

2. **Initial Fees.** The following language is added to the end of Section 3.A of the Franchise Agreement:

Based upon our financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by you shall be deferred until we complete our pre-opening obligations under the Franchise Agreement.

3. **Releases.** The following language is added to the end of Sections 12.C.(3)(h) and 13.C of the Franchise Agreement:

However, such general release will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

4. **Insolvency.** The following language is added to the end of Section 14.A.(17) of the Franchise Agreement:

; termination upon insolvency might not be enforceable under federal insolvency law (11 U.S.C. Sections 101 et seq.), but we and you agree to enforce this provision to the maximum extent the law allows.

5. **Governing Law.** The following language is added to the end of Section 17.F of the Franchise Agreement:

However, Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

6. **Consent to Jurisdiction.** The following language is added to the end of Section 17.G of the Franchise Agreement:

However, subject to the parties’ arbitration obligations, you may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.



7. Limitation of Claims. The following language is added to the end of Section 17.J of the Franchise Agreement:

However, the limitation of such claims shall not act to reduce the three (3) year statute of limitations afforded to you for bringing a claim under the Maryland Franchise Registration and Disclosure Law.

8. Acknowledgements. The following language is added to the end of Section 22.A of the Franchise Agreement:

All representations requiring you 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.

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.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

**FRANCHISOR:**  
**AGILE PURSUITS FRANCHISING, INC.,**  
an Ohio corporation

**FRANCHISEE:**  
**[FRANCHISEE ENTITY],**  
a \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**DATED\*:** \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**DATED:** \_\_\_\_\_

(\*Effective Date of this Rider)

**RIDER TO THE AGILE PURSUITS FRANCHISING, INC.  
TIDE LAUNDROMAT DEVELOPMENT RIGHTS AGREEMENT  
FOR USE IN MARYLAND**

**THIS RIDER** (the “Rider”) is made and entered into by and between **AGILE PURSUITS FRANCHISING, INC.**, an Ohio corporation located at 2 Procter & Gamble Plaza, Cincinnati, Ohio 45202 (“APFI,” “we,” “us,” or “our”), and \_\_\_\_\_, a \_\_\_\_\_ having its principal business address at \_\_\_\_\_ (“Developer,” “you,” or “your”) as of the date signed by us and set forth opposite our signature on this Rider (the “Effective Date”).

1. **Background.** We and you are parties to that certain Tide Laundromat Development Rights Agreement that has been signed at the same time as the signing of this Rider (the “Development Rights Agreement”). This Rider is part of the Development Rights Agreement. This Rider is being signed because (a) you are a resident of the State of Maryland, and/or (b) the Tide Laundromat Franchised Business(es) that you will develop under the Development Rights Agreement will be located in Maryland.

2. **Initial Fees.** The following language is added to the end of Section 2 of the Development Rights Agreement:

Based upon our financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all development fees and payments owed by you shall be deferred until the first franchise under the Development Rights Agreement opens.

3. **Governing Law.** The following language is added to Section 8 of the Development Rights Agreement:

Notwithstanding Section 17.F of the Franchise Agreement, which is incorporated by reference under Section 8 of the Development Rights Agreement, Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

4. **Consent to Jurisdiction.** The following language is added to Section 8 of the Development Rights Agreement:

Notwithstanding Section 17.G of the Franchise Agreement, which is incorporated by reference under Section 8 of the Development Rights Agreement, subject to the parties’ arbitration obligations, you may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. **Limitations of Claims.** The following language is added to the end of Section 8 of the Development Rights Agreement:

Notwithstanding Section 17.J of the Franchise Agreement, which is incorporated by reference under Section 8 of the Development Rights Agreement, the limitation of such claims shall not act to reduce the three (3) year statute of limitations afforded to you for bringing a claim under the Maryland Franchise Registration and Disclosure Law.

6. Acknowledgements. The following language is added to the end of Section 8 of the Development Rights Agreement:

Notwithstanding Section 22.A of the Franchise Agreement, which is incorporated by reference under Section 8 of the Development Rights Agreement, all representations requiring you 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.

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.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

**FRANCHISOR:**  
**AGILE PURSUITS FRANCHISING, INC.,**  
an Ohio corporation

**DEVELOPER:**  
**[DEVELOPER ENTITY],**  
a \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**DATED\*:** \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**DATED:** \_\_\_\_\_

(\*Effective Date of this Rider)

**RIDER TO THE AGILE PURSUITS FRANCHISING, INC.  
TIDE LAUNDROMAT FRANCHISE AGREEMENT  
FOR USE IN MINNESOTA**

**THIS RIDER** (the “Rider”) is made and entered into by and between **AGILE PURSUITS FRANCHISING, INC.**, an Ohio corporation located at 2 Procter & Gamble Plaza, Cincinnati, Ohio 45202 (“APFI,” “we,” “us,” or “our”), and \_\_\_\_\_, a \_\_\_\_\_ having its principal business address at \_\_\_\_\_ (“Franchisee,” “you,” or “your”) as of the date signed by us and set forth opposite our signature on this Rider (the “Effective Date”).

1. **Background.** We and you are parties to that certain Tide Laundromat Franchise Agreement that has been signed at the same time as the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the Franchised Business that you will operate under the Franchise Agreement will be located in Minnesota; and/or (b) any of the franchise offering or sales activity with respect to the Franchise Agreement occurred in Minnesota.

2. **Fees.** The following language is added to the end of Section 3.F.(1) of the Franchise Agreement:

To the extent required by Minnesota Stat. Sec. 604.113 Subd. 2(a), any processing fee or service charge assessed for insufficient funds shall not exceed Thirty Dollars (\$30).

3. **Marks.** The following language is added to the end of Section 8 of the Franchise Agreement:

To the extent required by Minnesota Stat. Sec. 80C.12, Subd. 1(g), we will protect your right to use the Marks and indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks.

4. **Releases.** The following language is added to the end of Sections 12.C.(3)(h) and 13.C of the Franchise Agreement:

; however, any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

5. **Termination by Us.** The following language is added to the end of Section 14.A of the Franchise Agreement:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days’ notice of termination (with 60 days to cure) and one hundred eighty (180) days’ notice of non-renewal of the Agreement.

6. **Governing Law/Consent to Jurisdiction.** The following language is added to the end of Sections 17.F and 17.G of the Franchise Agreement:

Pursuant to Minn. Stat. Section 80C.21 and Minn. Rule Part 2860.4400J, this Section shall not in any way abrogate or reduce your rights as provided in Minnesota Statutes 1984, Chapter 80C, including (if applicable, and subject to the parties’ arbitration obligations) the right to submit matters to the jurisdiction of the courts of Minnesota.

7. Waiver of Punitive Damages. The following language is added to the beginning of the first paragraph of Section 17.H of the Franchise Agreement:

EXCEPT AS OTHERWISE REQUIRED BY THE MINNESOTA FRANCHISES LAW, AND

8. Waiver of Jury Trial. The following language is added to the beginning of the second paragraph of Section 17.H of the Franchise Agreement:

EXCEPT AS OTHERWISE REQUIRED BY THE MINNESOTA FRANCHISES LAW,

9. Limitation of Claims. The following language is added to the end of Section 17.J of the Franchise Agreement:

; provided, however, that Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than three (3) years after the cause of action accrues.

10. Acknowledgements. The following is added as a new Section 22 of the Franchise Agreement:

## **22. ACKNOWLEDGEMENTS.**

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

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

**FRANCHISOR:**  
**AGILE PURSUITS FRANCHISING, INC.,**  
an Ohio corporation

**FRANCHISEE:**  
**[FRANCHISEE ENTITY],**  
a \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**DATED\*:** \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**DATED:** \_\_\_\_\_

(\*Effective Date of this Rider)

**RIDER TO THE AGILE PURSUITS FRANCHISING, INC.  
TIDE LAUNDROMAT FRANCHISE AGREEMENT  
FOR USE IN NEW YORK**

**THIS RIDER** (the “Rider”) is made and entered into by and between **AGILE PURSUITS FRANCHISING, INC.**, an Ohio corporation located at 2 Procter & Gamble Plaza, Cincinnati, Ohio 45202 (“APFI,” “we,” “us,” or “our”), and \_\_\_\_\_, a \_\_\_\_\_ having its principal business address at \_\_\_\_\_ (“Franchisee,” “you,” or “your”) as of the date signed by us and set forth opposite our signature on this Rider (the “Effective Date”).

1. Background. We and you are parties to that certain Tide Laundromat Franchise Agreement that has been signed at the same time as the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the Franchised Business that you will operate under the Franchise Agreement was made in the State of New York, and/or (b) you are a resident of New York and will operate the Franchised Business in New York.

2. Transfer by Us. The following language is added to the end of Section 12.A of the Franchise Agreement:

However, to the extent required by applicable law, no assignment will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under this Agreement.

3. Releases. The following language is added to the end of Sections 12.C.(3)(h) and 13.C of the Franchise Agreement:

, provided, however, that to the extent required by Article 33 of the General Business Law of the State of New York, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of the proviso that the non-waiver provisions of GBL 687 and 687.5 be satisfied.

4. Termination by You. The following language is added to the end of Section 14 of the Franchise Agreement:

You also may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

5. Governing Law/Consent to Jurisdiction. The following language is added to the end of Sections 17.F and 17.G of the Franchise Agreement:

However, to the extent required by Article 33 of the General Business Law of the State of New York, this Section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder.

6. Limitation of Claims. The following language is added to the end of Section 17.J of the Franchise Agreement:

However, to the extent required by Article 33 of the General Business Law of the State of New York, all rights and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this provision that the non-waiver provisions of GBL Sections 687.4 and 687.5 be satisfied

7. Application of Rider. There are circumstances in which an offering made by us would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the State of New York. However, an offer or sale is deemed to be made in New York if you are domiciled in and the franchise will be opened in New York. We are required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

**FRANCHISOR:**  
**AGILE PURSUITS FRANCHISING, INC.,**  
an Ohio corporation

**FRANCHISEE:**  
**[FRANCHISEE ENTITY],**  
a \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**DATED\*:** \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**DATED:** \_\_\_\_\_

(\*Effective Date of this Rider)

**RIDER TO THE AGILE PURSUITS FRANCHISING, INC.  
TIDE LAUNDROMAT FRANCHISE AGREEMENT  
FOR USE IN NORTH DAKOTA**

**THIS RIDER** (the “Rider”) is made and entered into by and between **AGILE PURSUITS FRANCHISING, INC.**, an Ohio corporation located at 2 Procter & Gamble Plaza, Cincinnati, Ohio 45202 (“APFI,” “we,” “us,” or “our”), and \_\_\_\_\_, a \_\_\_\_\_ having its principal business address at \_\_\_\_\_ (“Franchisee,” “you,” or “your”) as of the date signed by us and set forth opposite our signature on this Rider (the “Effective Date”).

1. **Background.** We and you are parties to that certain Tide Laundromat Franchise Agreement that has been signed at the same time as the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the Franchised Business that you will operate under the Franchise Agreement was made in the State of North Dakota, and/or (b) you are a resident of North Dakota and will operate the Franchised Business in North Dakota.

2. **Initial Franchise Fee.** The following language is added to the end of Section 3.A of the Franchise Agreement:

Pursuant to an order by the North Dakota Securities Department, we will defer the payment of the Initial Franchise Fee and other initial payments you owe us until we complete our initial obligations, and you open the Franchised Business for business. Upon the opening of the Franchised Business, you shall pay the Initial Franchise Fee to us.

3. **Releases.** The following language is added to the end of Sections 12.C.(3)(h) and 13.C of the Franchise Agreement:

; however, any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

4. **Liquidated Damages.** The following language is added to the end of Section 15.A.(2) of the Franchise Agreement:

We and you acknowledge that certain parts of this provision might not be enforceable under the North Dakota Franchise Investment Law. However, we and you agree to enforce the provision to the extent the law allows.

5. **Non-Competition.** The following language is added to the end of Section 11.C of the Franchise Agreement:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota. However, you acknowledge and agree that we intend to seek enforcement of these provisions to the extent allowed under the law.

6. **Costs And Attorneys’ Fees.** The following language is added to the end of Section 17.C. of the Franchise Agreement:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, only the prevailing party in an action to enforce this Agreement is entitled



to recover all costs and expenses incurred, including reasonable accounting, attorneys', arbitrators', and related fees.

7. Arbitration. The first paragraph of Section 17.E of the Franchise Agreement is deleted and replaced with the following:

We and you agree that all controversies, disputes, or claims between us and our affiliates, and our and their respective owners, shareholders, officers, directors, agents, and/or employees, and you (and/or your owners, guarantors, affiliates, and yours or their respective owners, shareholders, officers, directors, agents and/or employees) arising out of or related to:

- (1) this Agreement or any other agreement between you and us or our affiliates;
- (2) our (or any of our affiliates') relationship with you;
- (3) the scope and validity of this Agreement or any other agreement between you and us (or any of our affiliates) or any provision of such agreements (including the validity and scope of the arbitration obligations under this Section 19.E, which you and we acknowledge is to be determined by an arbitrator and not a court); or
- (4) any aspect of the Franchise System or any System Standard;

must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association (the "AAA"). The arbitration proceedings will be conducted by a panel of three (3) arbitrators (the "Panel") and, except as this Section 19.E otherwise provides, according to the then current commercial arbitration rules of the AAA. We and you shall each appoint one (1) arbitrator to serve on the Panel. The two (2) separately appointed arbitrators shall attempt to agree upon the third arbitrator for the Panel, who will act as the Panel's chairman. If the two (2) appointed arbitrators fail to agree on the third arbitrator within thirty (30) days after the second arbitrator is appointed to the Panel, then the third arbitrator shall be appointed by the AAA, and shall serve as the Panel's chairman. All proceedings will be conducted at a suitable location chosen by the Panel in the Cincinnati, Ohio metropolitan area, provided, however, that to the extent otherwise required by the North Dakota Franchise Investment Law (unless such a requirement is preempted by the Federal Arbitration Act), arbitration shall be held at a site to which we and you mutually agree. The Panel will have no authority to select a different hearing locale other than as described in the prior sentence. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.) and not by any state arbitration law.

8. Governing Law. The following language is added to the end of Section 17.F of the Franchise Agreement:

Notwithstanding the foregoing, to the extent required by applicable law, North Dakota law applies.

9. Consent to Jurisdiction. The following language is added to the end of Section 17.G of the Franchise Agreement:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, and subject to your arbitration obligations, you may bring an action in North Dakota for claims arising under the North Dakota Franchise Investment Law.

10. Waiver of Punitive Damages and Jury Trial. To the extent required by the North Dakota Franchise Investment Law, Section 17.H of the Franchise Agreement is deleted.

11. Limitation of Claims. The following language is added to the end of Section 17.J of the Franchise Agreement:

The statutes of limitations under North Dakota law applies with respect to claims arising under North Dakota Law.

12. Acknowledgements. The following is added as a new Section 22 of the Franchise Agreement:

**22. ACKNOWLEDGEMENTS.**

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.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

**FRANCHISOR:**  
**AGILE PURSUITS FRANCHISING, INC.,**  
an Ohio corporation

**FRANCHISEE:**  
**[FRANCHISEE ENTITY],**  
a \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**DATED\*:** \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**DATED:** \_\_\_\_\_

(\*Effective Date of this Rider)

**RIDER TO THE AGILE PURSUITS FRANCHISING, INC.  
TIDE LAUNDROMAT FRANCHISE AGREEMENT  
FOR USE IN RHODE ISLAND**

**THIS RIDER** (the “Rider”) is made and entered into by and between **AGILE PURSUITS FRANCHISING, INC.**, an Ohio corporation located at 2 Procter & Gamble Plaza, Cincinnati, Ohio 45202 (“APFI,” “we,” “us,” or “our”), and \_\_\_\_\_, a \_\_\_\_\_ having its principal business address at \_\_\_\_\_ (“Franchisee,” “you,” or “your”) as of the date signed by us and set forth opposite our signature on this Rider (the “Effective Date”).

1. **Background.** We and you are parties to that certain Tide Laundromat Franchise Agreement that has been signed at the same time as the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the Franchised Business that you will operate under the Franchise Agreement was made in the State of Rhode Island, and/or (b) you are a resident of Rhode Island and the Franchised Business will be located in Rhode Island.

2. **Governing Law.** Section 17.F of the Franchise Agreement is deleted and replaced with the following:

All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. Sections 1 et seq.) except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other federal law, and except as otherwise required by applicable law with respect to claims arising under the Rhode Island Franchise Investment Act, this Agreement, the franchise, and all claims arising from the relationship between us and you will be governed by the laws of the state of Ohio, without regard to its conflict of laws rules, except that any Ohio law regulating the sale of franchises or business opportunities or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this section.

3. **Consent to Jurisdiction.** Section 17.G of the Franchise Agreement is deleted and replaced with the following:

Subject to Section 17.E above and the provisions below, and except as otherwise required by applicable law with respect to claims arising under the Rhode Island Franchise Investment Act you and your owners agree that all actions arising under this Agreement or otherwise as a result of the relationship between you and us must be commenced in the state or federal court of general jurisdiction in the district where we have our headquarters when the action is commenced, which as of the Effective Date is Cincinnati, Ohio, and you (and each owner) irrevocably submit to the jurisdiction of those courts and waive any objection you (or the owner) might have to either the jurisdiction of or venue in those courts. Nonetheless, you and your owners agree that we may enforce this Agreement and any arbitration orders and awards in the courts of the state or states in which you are domiciled or the Franchised Business is located.

**[Signature Page Follows]**

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

**FRANCHISOR:**  
**AGILE PURSUITS FRANCHISING, INC.,**  
an Ohio corporation

**FRANCHISEE:**  
**[FRANCHISEE ENTITY],**  
a \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**DATED\*:** \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**DATED:** \_\_\_\_\_

(\*Effective Date of this Rider)

**RIDER TO THE AGILE PURSUITS FRANCHISING, INC.  
TIDE LAUNDROMAT FRANCHISE AGREEMENT  
FOR USE IN SOUTH DAKOTA**

**THIS RIDER** (the “Rider”) is made and entered into by and between **AGILE PURSUITS FRANCHISING, INC.**, an Ohio corporation located at 2 Procter & Gamble Plaza, Cincinnati, Ohio 45202 (“APFI,” “we,” “us,” or “our”), and \_\_\_\_\_, a \_\_\_\_\_ having its principal business address at \_\_\_\_\_ (“Franchisee,” “you,” or “your”) as of the date signed by us and set forth opposite our signature on this Rider (the “Effective Date”).

1. **Background.** We and you are parties to that certain Tide Laundromat Franchise Agreement (that has been signed at the same time as the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the Tide Laundromat Business that you will operate under the Franchise Agreement was made in the State of South Dakota, and/or (b) you are a resident of South Dakota and the Tide Laundromat Business will be operated in South Dakota.

2. **Initial Fees.** The following language is added to the end of Section 3.A of the Franchise Agreement:

Payment of all initial fees (including the Initial Franchise Fee, Plan Review Fee, Sign Layout Fee, Initial Training Charge, Additional Training Fee, and Extension Fee) are postponed until after all of our initial obligations are complete and the Tide Laundromat Business is open for business.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

**FRANCHISOR:**  
**AGILE PURSUITS FRANCHISING, INC.**,  
an Ohio corporation

**FRANCHISEE:**  
**[FRANCHISEE ENTITY]**,  
a \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**DATED\*:** \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**DATED:** \_\_\_\_\_

(\*Effective Date of this Rider)

**RIDER TO THE AGILE PURSUITS FRANCHISING, INC.  
TIDE LAUNDROMAT DEVELOPMENT RIGHTS AGREEMENT  
FOR USE IN SOUTH DAKOTA**

**THIS RIDER** (the “Rider”) is made and entered into by and between **AGILE PURSUITS FRANCHISING, INC.**, an Ohio corporation located at 2 Procter & Gamble Plaza, Cincinnati, Ohio 45202 (“APFI,” “we,” “us,” or “our”), and \_\_\_\_\_, a \_\_\_\_\_ having its principal business address at \_\_\_\_\_ (“Developer,” “you,” or “your”) as of the date signed by us and set forth opposite our signature on this Rider (the “Effective Date”).

1. Background. We and you are parties to that certain Tide Laundromat Development Rights Agreement that has been signed at the same time as the signing of this Rider (the “Development Rights Agreement”). This Rider is part of the Development Rights Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the Tide Laundromat Business(es) that you will develop under the Development Rights Agreement was made in the State of South Dakota, and/or (b) you are a resident of South Dakota and all or part of the Development Area is located in South Dakota.

2. Initial Fees. The following language is added to the end of Section 2 of the Development Rights Agreement:

Payment of all initial fees (including the Development Rights Fee and Extension Fee) are postponed until after all of our initial obligations are complete and your first Tide Laundromat Business is open for business.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

**FRANCHISOR:**  
**AGILE PURSUITS FRANCHISING, INC.**,  
an Ohio corporation

**DEVELOPER:**  
**[DEVELOPER ENTITY]**,  
a \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**DATED\*:** \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**DATED:** \_\_\_\_\_

(\*Effective Date of this Rider)

**RIDER TO THE AGILE PURSUITS FRANCHISING, INC.  
TIDE LAUNDROMAT FRANCHISE AGREEMENT  
FOR USE IN THE COMMONWEALTH OF VIRGINIA**

**THIS RIDER** (the “Rider”) is made and entered into by and between **AGILE PURSUITS FRANCHISING, INC.**, an Ohio corporation located at 2 Procter & Gamble Plaza, Cincinnati, Ohio 45202 (“Franchisor,” “we,” “us,” or “our”), and \_\_\_\_\_, a \_\_\_\_\_ having its principal business address at \_\_\_\_\_ (“Franchisee,” “you,” or “your”) as of the date signed by us and set forth opposite our signature on this Rider (the “Effective Date”).

1. **Background.** We and you are parties to that certain Tide Laundromat Franchise Agreement that has been signed at the same time as the signing of this Rider (“Franchise Agreement”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because the Franchised Business that you will operate under the Franchise Agreement will be located or operated in the Commonwealth of Virginia.

2. **Initial Fees.** The following language is added to the end of Section 3.A of the Franchise Agreement:

The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the Initial Franchise Fee and other initial payments owed by Franchisee to us until we have completed our pre-opening obligations under this Agreement.

3. **Acknowledgements.** The following language is added as a new section of the Franchise Agreement:

**22. ACKNOWLEDGEMENTS.**

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.

**[Signature Page Follows]**

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

**FRANCHISOR:**  
**AGILE PURSUITS FRANCHISING, INC.,**  
an Ohio corporation

**FRANCHISEE:**  
**[FRANCHISEE ENTITY],**  
a \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**DATED\*:** \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**DATED:** \_\_\_\_\_

(\*Effective Date of this Rider)



**RIDER TO THE AGILE PURSUITS FRANCHISING, INC.  
TIDE LAUNDROMAT DEVELOPMENT RIGHTS AGREEMENT  
FOR USE IN THE COMMONWEALTH OF VIRGINIA**

**THIS RIDER** (the “Rider”) is made and entered into by and between **AGILE PURSUITS FRANCHISING, INC.**, an Ohio corporation located at 2 Procter & Gamble Plaza, Cincinnati, Ohio 45202 (“APFI,” “we,” “us,” or “our”), and \_\_\_\_\_, a \_\_\_\_\_ having its principal business address at \_\_\_\_\_ (“Developer,” “you,” or “your”) as of the date signed by us and set forth opposite our signature on this Rider (the “Effective Date”).

1. **Background.** We and you are parties to that certain Tide Laundromat Development Rights Agreement that has been signed at the same time as the signing of this Rider (the “Development Rights Agreement”). This Rider is part of the Development Rights Agreement. This Rider is being signed because all or part of the Development Area is located in the Commonwealth of Virginia.

2. **Initial Fees.** The following language is added to the end of Section 2 of the Development Rights Agreement:

The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires us to defer payment of the Development Rights Fee and other initial payments owed by Developer to us until we have completed our pre-opening obligations. Payment of the Development Rights Fee will be due to us, on a pro-rata basis, upon our completion of our pre-opening obligations for each Tide Laundromat Business opened under this Agreement.

3. **Acknowledgements.** The following language is added as a new section of the Development Rights Agreement:

**9. ACKNOWLEDGEMENTS.**

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.

**[Signature Page Follows]**

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

**FRANCHISOR:**  
**AGILE PURSUITS FRANCHISING, INC.,**  
an Ohio corporation

**DEVELOPER:**  
**[DEVELOPER ENTITY],**  
a \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**DATED\*:** \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**DATED:** \_\_\_\_\_

(\*Effective Date of this Rider)

**WASHINGTON RIDER TO THE FRANCHISE  
AGREEMENT, FRANCHISEE DISCLOSURE QUESTIONNAIRE,  
AND RELATED AGREEMENTS**

**THIS RIDER** (the “Rider”) is made and entered into by and between **AGILE PURSUITS FRANCHISING, INC.**, an Ohio corporation located at 2 Procter & Gamble Plaza, Cincinnati, Ohio 45202 (“APFI,” “we,” “us,” or “our”), and \_\_\_\_\_, a \_\_\_\_\_ having its principal business address at \_\_\_\_\_ (“Franchisee,” “you,” or “your”) as of the date signed by us and set forth opposite our signature on this Rider (the “Effective Date”).

1. Background. We and you are parties to that certain Tide Laundromat Franchise Agreement that has been signed at the same time as the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the Franchised Business that you will operate under the Franchise Agreement was made in the State of Washington, (b) you are a resident of Washington, and/or (c) the Franchised Business will be located or operated in the State of Washington.

2. Addition of Paragraphs. The following paragraphs are added to the end of the Franchise Agreement:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Act (the “Act”), Chapter 19.100 RCW will prevail.

You have the right to terminate this Agreement upon any grounds permitted by law.

RCW 19.100.180 of the Act may supersede this Agreement in your relationship with us, including the areas of termination and renewal of your franchise. There also may also be court decisions which may supersede this Agreement in your relationship with us, including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator at the time of arbitration. In addition, if litigation is not precluded by this Agreement, you may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Act, in Washington.

A release or waiver of rights executed by you may not include rights under the Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after this Agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect our reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee’s earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void

and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in this Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in this Agreement or elsewhere are void and unenforceable in Washington.

The undersigned does hereby acknowledge receipt of this Rider.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

**FRANCHISOR:**  
**AGILE PURSUITS FRANCHISING, INC.,**  
an Ohio corporation

**FRANCHISEE:**  
**[FRANCHISEE ENTITY],**  
a \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**DATED\*:** \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**DATED:** \_\_\_\_\_

(\*Effective Date of this Rider)

**WASHINGTON RIDER TO THE DEVELOPMENT RIGHTS  
AGREEMENT, FRANCHISEE DISCLOSURE QUESTIONNAIRE,  
AND RELATED AGREEMENTS**

**THIS RIDER** (the “Rider”) is made and entered into by and between **AGILE PURSUITS FRANCHISING, INC.**, an Ohio corporation located at 2 Procter & Gamble Plaza, Cincinnati, Ohio 45202 (“APFI,” “we,” “us,” or “our”), and \_\_\_\_\_, a \_\_\_\_\_ having its principal business address at \_\_\_\_\_ (“Developer,” “you,” or “your”) as of the date signed by us and set forth opposite our signature on this Rider (the “Effective Date”).

1. Background. We and you are parties to that certain Development Rights Agreement that has been signed at the same time as the signing of this Rider (the “Development Rights Agreement”). This Rider is part of the Development Rights Agreement. This Rider is being signed because (a) the offer or sale of the franchise for the Tide Laundromat Business(es) that you will develop under the Development Rights Agreement was made in the State of Washington, and/or (b) you are a resident of Washington and all or part of the Development Area is located in Washington.

2. Addition of Paragraphs. The following paragraphs are added to the end of the Development Rights Agreement:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act (the “Act”), Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede this Agreement in your relationship with us, including the areas of termination and renewal of your franchise. There also may also be court decisions which may supersede this Agreement in your relationship with us, including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator at the time of arbitration. In addition, if litigation is not precluded by this Agreement, you may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Act, in Washington.

A release or waiver of rights executed by you may not include rights under the Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after this Agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect our reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee’s earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor’s earnings from the party seeking enforcement, when

annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in this Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in this Agreement or elsewhere are void and unenforceable in Washington.

The undersigned does hereby acknowledge receipt of this Rider.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date.

**FRANCHISOR:**  
**AGILE PURSUITS FRANCHISING, INC.,**  
an Ohio corporation

**FRANCHISEE:**  
**[FRANCHISEE ENTITY],**  
a \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**DATED\*:** \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**DATED:** \_\_\_\_\_

(\*Effective Date of this Rider)

**EXHIBIT M**  
**GENERAL RELEASE**

**AGILE PURSUITS FRANCHISING, INC.**

**GRANT OF FRANCHISOR CONSENT AND FRANCHISEE RELEASE**

AGILE PURSUITS FRANCHISING, INC. (“we,” “us,” “our,” or “Franchisor”) and the undersigned franchisee, \_\_\_\_\_ (“you,” “your,” or “Franchisee”), currently are parties to a certain franchise agreement dated \_\_\_\_\_ (the “Franchise Agreement”) for the operation of a Tide Laundromat Business at \_\_\_\_\_. You have asked us to take the following action or to agree to the following request: [insert as appropriate for renewal or transfer situation]

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_. We have the right under the Franchise Agreement to obtain a general release from you (and, if applicable, your owners) as a condition of taking this action or agreeing to this request. Therefore, we are willing to take the action or agree to the request specified above if you (and, if applicable, your owners) give us the release and covenant not to sue provided below in this document. You (and, if applicable, your owners) are willing to give us the release and covenant not to sue provided below as partial consideration for our willingness to take the action or agree to the request described above.

Consistent with the previous introduction, you, on your own behalf and on behalf of your successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, shareholders, members, directors, officers, principals, employees, and affiliated entities (collectively, the “Releasing Parties”), hereby forever release and discharge us and our current and former officers, directors, shareholders, principals, employees, agents, representatives, affiliated entities, successors, and assigns (collectively, the “Franchisor Parties”) from any and all claims, damages (known and unknown), demands, causes of action, suits, duties, liabilities, and agreements of any nature and kind (collectively, “Claims”) that you and any of the other Releasing Parties now have, ever had, or, but for this document, hereafter would or could have against any of the Franchisor Parties (1) arising out of or related to the Franchisor Parties’ performance of their obligations under the Franchise Agreement before the date of your signature below or (2) otherwise arising from or related to your and the other Releasing Parties’ relationship, from the beginning of time to the date of your signature below, with any of the Franchisor Parties. You, on your own behalf and on behalf of the other Releasing Parties, further covenant not to sue any of the Franchisor Parties on any of the Claims released by this paragraph and represent that you have not assigned any of the Claims released by this paragraph to any individual or entity that is not bound by this paragraph.

We also are entitled to a release and covenant not to sue from your owners. By his, her, or their separate signatures below, your transferring owners likewise grant to us the release and covenant not to sue provided above.



\*\*\*\*\*

The following language applies only to transactions governed by the  
Maryland Franchise Registration and Disclosure Law

The release provided above will not apply to the extent prohibited by the Maryland Franchise Registration and Disclosure Law. Subject to your arbitration obligation under the Franchise Agreement, you may commence a lawsuit against us in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

\*\*\*\*\*

**FRANCHISOR:**  
**AGILE PURSUITS FRANCHISING, INC.,**  
an Ohio corporation

**FRANCHISEE:**  
**[FRANCHISEE ENTITY],**  
a \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**DATED\*:** \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**DATED:** \_\_\_\_\_

(\*Effective Date of this Agreement)

**EXHIBIT N**

**STATE EFFECTIVE DATES**

### State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

STATES	EFFECTIVE DATE
CALIFORNIA	<del>November 6, 2023, as amended May 1, 2024</del> <a href="#">PENDING</a>
ILLINOIS	<del>October 27, 2023, as amended April 24, 2024</del> <a href="#">PENDING</a>
INDIANA	<del>October 27, 2023, as amended April 24, 2024</del> <a href="#">PENDING</a>
MARYLAND	<del>November 29, 2023, as amended May 17, 2024</del> <a href="#">PENDING</a>
MICHIGAN	<del>October 27, 2023</del> <a href="#">PENDING</a>
MINNESOTA	<del>February 20, 2024, as amended May 7, 2024</del> <a href="#">PENDING</a>
NEW YORK	<del>November 14, 2023, as amended May 23, 2024</del> <a href="#">PENDING</a>
NORTH DAKOTA	<del>February 16, 2024, as amended May 8, 2024</del> <a href="#">PENDING</a>
RHODE ISLAND	<del>October 30, 2023, as amended May 7, 2024</del> <a href="#">PENDING</a>
SOUTH DAKOTA	<del>October 27, 2023</del> <a href="#">PENDING</a>
VIRGINIA	<del>November 15, 2023, as amended May 14, 2024</del> <a href="#">PENDING</a>
<a href="#">WASHINGTON</a>	<a href="#">PENDING</a>
WISCONSIN	<del>October 27, 2023, as amended April 24, 2024</del> <a href="#">PENDING</a>

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 O**  
**RECEIPTS**

## RECEIPT

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

If Agile Pursuits Franchising, Inc. offers you a franchise for a Tide Laundromat Business, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the Franchisor or an affiliate in connection with the proposed franchise sale. New York requires that Agile Pursuits Franchising, Inc. give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Iowa requires that Agile Pursuits Franchising, Inc. give you this disclosure document at the earlier of the first personal meeting or 14 days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that Agile Pursuits Franchising, Inc. give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

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

The names, principal business addresses, and telephone numbers of each franchise seller offering the franchise are as follows: Andy Gibson, President and Chief Executive Officer, Tide Services, ~~The Procter & Gamble Company, 513.622.2253, 2 Procter & Gamble Plaza, TE-16, Cincinnati, Ohio 45202~~ and Lawrence Brown, Senior Vice President, Head of Franchising & Development, Emily Schneider, Director of Franchise Development, ~~Laura Wright~~ Kyle Brogan, Managing Director ~~of Operations~~, and ~~Linda Cartwright, Managing Director of Operations~~ Jessica Patrick, Franchise Paralegal Administrator, Agile Pursuits Franchising, Inc., 513-622-2474, 2 Procter & Gamble Plaza, TE-16, Cincinnati, Ohio 45202; and

The issuance date of this Franchise Disclosure Document is October ~~27, 2023, as amended April~~ 24, 2024. Agile Pursuits Franchising, Inc. authorizes the respective state agents identified on Exhibit A to receive service of process on its behalf in the particular states. I received a disclosure document for a Tide Laundromat franchise from Agile Pursuits Franchising, Inc. dated October ~~27, 2023, as amended April~~ 24, 2024 that included the following Exhibits:

A. List of State Administrators and Agents for Service of Process

B. Confidential Disclosure Agreement

C. Development Rights Agreement

D. Franchise Agreement

E. Lease Rider

F. PGP Service Agreement

G. Manual Table of Contents

[H. List of Franchisees and Franchisees Who Left the System](#)

~~H. List of Franchisees and Franchisees Who Left the System~~

I. Financial Statements

J. [Development Incentive Programs](#)

[J.1 Veterans Incentive Program Addendum](#)

[J.2 Women-Owned Business Incentive Program Addendum](#)

K. Franchisee Disclosure Questionnaire

L. State-Specific Addenda

M. General Release

N. State Effective Dates

O. Receipts

Date Received

Prospective Franchise Owner [Print Name]

Prospective Franchise Owner [Signature]

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Date Received

Prospective Franchise Owner [Print Name]

Prospective Franchise Owner [Signature]