

FRANCHISE DISCLOSURE DOCUMENT

SPEED QUEEN

SPEED QUEEN Laundry Franchise, LLC
a Delaware Limited Liability Company
221 Shepard Street
Ripon, Wisconsin 54971
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Website: www.speedqueenlaundry.com
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We offer franchises for the establishment, development and operation of high end laundromats under the SPEED QUEEN® name and operating system (each a “Speed Queen Store” or “Store”).

The total investment necessary to begin operation of a Speed Queen Store is \$1,~~131,000~~[163,500](#) to \$1,~~875~~[940](#),000. This includes \$576,000 to \$992,500 that must be paid to us or our affiliate(s).

If you sign an area development agreement to establish and operate multiple Speed Queen Stores, your estimated initial investment under the agreement will vary depending on how many Stores you agree to develop. The total investment necessary under the area development agreement, based on a commitment of 3 Speed Queen Stores, is \$3,~~394,000~~[491,500](#) to \$5,~~630~~[825](#),000. This includes \$30,000 of development fees (\$10,000 per Store) that must be paid to us or our affiliates.

This disclosure document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with or make any payment to us or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this disclosure 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 John Shields, at 221 Shepard Street, PO Box 245, Ripon, Wisconsin 54971; telephone number: 920-399-0999; email: franchising@speedqueenlaundry.com.

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, such as a lawyer or accountant.

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

The issuance date of this Franchise Disclosure Document is April ~~21, 2023~~[22, 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
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit H.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit A includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Speed Queen business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Speed Queen franchisee?	Item 20 or Exhibit H lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Wisconsin. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Wisconsin than in your own state.
2. **Short operating history.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
3. **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.
4. **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.
5. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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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EXHIBITS:

Exhibit A – Financial Statements	Exhibit H – List of Franchised Locations, Former
Exhibit B – Area Development Agreement	Franchisees, and Franchise Agreement
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ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

This disclosure document describes SPEED QUEEN® laundromat franchises. In this disclosure document, “we,” “us,” “our” and “SQLF” mean SPEED QUEEN Laundry Franchise, LLC, the franchisor, and “you” or “your” means the purchaser of the franchise. If the purchaser of the franchise is a corporation, partnership, or limited liability company, “you” means both the purchaser and the persons who own the business entity.

The Franchisor

SPEED QUEEN Laundry Franchise, LLC is a Delaware limited liability company formed on April 22, 2019. Our principal business address is 221 Shepard Street, Ripon, Wisconsin 54971. We conduct business under our corporate name and the name SPEED QUEEN®. We do not conduct business under any other name. Our agents for service of process in the states that require franchise registration are listed in Exhibit E. We currently do not own or operate any Speed Queen Stores, however we reserve the right to do so in the future. We began offering franchises for Speed Queen Stores in May 2019. We have never offered franchises in any other line of business.

Our Parent, Affiliates and Predecessors

Our direct parent, SPEED QUEEN LAUNDRY LLC, is a Delaware limited liability company formed on January 5, 2016 that shares our principal business address (our “Direct Parent”). Our Direct Parent is owned by Alliance Laundry Systems, LLC, a Delaware limited liability company formed on March 26, 1998 that shares our principal business address (our “Ultimate Parent”). Neither our Direct Parent nor our Ultimate Parent have offered franchises in any line of business.

Our affiliate, SPEED QUEEN LAUNDRY STORES LLC, is a Delaware limited liability company formed on January 5, 2016 that shares our principal business address (“SQLS”). SQLS owns and operates ~~45~~16 Speed Queen Stores in the United States. For the purposes of this disclosure document, we refer to Speed Queen Stores operated by our affiliates as “company-owned stores.” SQLS has not offered franchises in any line of business.

Our affiliates ~~Alliance Laundry Systems Distribution LLC (“ALSD”) and Alliance California Laundry Distribution LLC (“Alliance California”) are~~is approved suppliers of laundry equipment for Speed Queen franchisees. ALSD is limited liability company formed in Delaware on March 11, 2019. ALSD has a principal business address at 1626 Tradewinds Drive, Gulf Breeze, Florida 32563 and has never offered franchises. ~~Alliance California is limited liability company formed in Delaware in January 2021. Alliance California has a principal business address at 12020 Garfield Avenue, South Gate, California 90280 and has never offered franchises.~~

Our affiliate BDT Capital Partners LLC (“BDT”) is a private equity limited liability company formed in Delaware, with a principal place of business at 401 N. Michigan Avenue, Chicago, Illinois 60611. BDT, through its affiliated funds, specializes in investments in entrepreneurial businesses and owns a majority interest in our franchise. BDT also owns a majority interest in two other franchisors, Culligan International Company and Whataburger Franchise LLC.

Culligan International Company (“Culligan”) has franchised water filtration dealerships under the Culligan name since 1938; Culligan does not offer franchises in any other line of business. Culligan has a principal place of business at 9399 W. Higgins Rd., Rosemont, Illinois 60018. Culligan has been in business since

1936, and as of ~~February 23, 2023~~ April 3, 2024, has ~~544~~ 558 franchised locations open, and through its affiliates, operates ~~73~~ 80 company-owned locations.

Whataburger Franchise LLC (“Whataburger”) has a principal place of business at 300 Concord Plaza Drive, San Antonio, Texas 78216, and has franchised restaurants under the Whataburger name and franchise system since 1953. Whataburger does not offer franchises in any other line of business. As of December 31, 202~~2~~3, Whataburger has ~~140~~ 171 franchised locations open, and through its affiliates, operates ~~785~~ 826 company-owned locations.

We do not have any predecessors. We do not have any other affiliates that offer franchises in any line of business or that offer products or services to our franchisees. Other than as stated, these entities do not conduct any other business.

The Franchise Offered

Speed Queen Stores are high end laundromats which offer customers self-service access to commercial washing machines, washer-extractors and tumblers. Washer-extractors and tumblers are larger-capacity, high-performance washing machines and matching large capacity dryers, respectively.

We offer qualified persons and entities the right to enter into a franchise agreement (“Franchise Agreement”) to establish and operate a Speed Queen Store. Our current form of Franchise Agreement appears in Exhibit C to this disclosure document. Under the Franchise Agreement, you will be licensed to use the SPEED QUEEN® trademark and logo, as well as related trade names, service marks, trademarks, logos, emblems, and indicia of origin (the “Licensed Marks”) and certain copyrights and copyrighted materials owned by our Ultimate Parent and licensed to us for the operation of Speed Queen Stores. We and our affiliates may modify the Licensed Marks from time to time.

We and our affiliates have developed (and continue to develop and modify) policies and procedures, confidential information, intellectual property, and a distinctive and comprehensive operating system for the operation, identification, and promotion of Speed Queen Stores (the “System”). You will be licensed to utilize our System under the Franchise Agreement. Our mandatory and recommended standards, specifications, policies and procedures are represented in our confidential and proprietary operations manual (the “Playbook”), which we will make available to you during the term of your Franchise Agreement. We have the right to change the Playbook and the elements of the System at any time without consultation with you.

You will establish your Speed Queen Store in a well-established urban or suburban market. Speed Queen Stores require an in-line, end-cap, or stand-alone space of between 3,000 and 6,000 square feet in high traffic strip centers or mixed-use developments. We will consider on a case-by-case basis a franchisee’s request to convert an existing facility to a Speed Queen Store as well as sites that may be larger or smaller than our prototype, provided that the site can be transformed to meet the standards and specifications of the System.

We also offer area development agreements (“Area Development Agreements”) to qualified persons and entities who wish to develop multiple Speed Queen Stores within a specified geographic area (“Development Area”) according to a mandatory development schedule (“Development Schedule”). Our current form of Area Development Agreement appears in Exhibit B to this disclosure document. If you sign an Area Development Agreement, you will pay the development fee (see Item 5) for each Speed Queen Store you agree to develop in the Development Area in one lump sum and you will receive the right and the obligation to develop a specified number of Speed Queen Stores by certain deadlines set forth in the Development Schedule. You will negotiate both the number of Speed Queen Stores and the Development

Schedule with us. There is a minimum number of 3 Speed Queen Stores that you are required to develop under the Area Development Agreement.

You (or your affiliate) will sign our then-current form of Franchise Agreement for each Speed Queen Store that you develop under the Area Development Agreement. Our then-current form of Franchise Agreement may differ from the version of Franchise Agreement attached to this disclosure document as Exhibit C. You (or your affiliate) must sign Franchise Agreements for, open, and begin operating each Speed Queen Store on or before the dates listed in the Development Schedule.

Market Conditions and Competition

Your Speed Queen Store will provide retail laundry and related services and products to the general public. Your Speed Queen Stores will compete with other laundromats, laundry services, and dry cleaning facilities whether franchised or non-franchised, and whether local, regional, or national. The market for retail laundromats is well developed and established. You will compete with other independently-owned, franchised and chain laundromats, laundry services and dry cleaners. Your competition also includes home laundry facilities, do-it-yourself dry cleaning products marketed for in home use, and other laundromats including Speed Queen Stores that we or our affiliates or franchisees may operate.

Industry-Specific Regulations

You must comply with federal and state laws that apply to your business. You must comply with Federal OSHA laws requiring that washers and dryers have a means for holding the doors open while being loaded and unloaded and that all employees of a laundromat are properly instructed as to the hazards of the laundromat workplace.

Some states and municipalities have zoning ordinances and regulations that you must comply with which limit the hours of operation, the number of washing machines and dryers that may be on the premises, mandate a certain minimum number of parking spaces required, possibly other issues.

Certain states also impose environmental regulations on laundromats, specifically in regards to waste water. These regulations may require the laundromats to obtain a wastewater discharge permit. In order to obtain the permit, the laundromat may be required to have certain filtration systems treat its waste water. You should investigate the application of these laws further.

ITEM 2 BUSINESS EXPERIENCE

Chief Executive Officer: Michael Schoeb

Mr. Schoeb has held this position since April 2023. He has been Chief Executive Officer for our Ultimate Parent since October 2007.

Chief Legal Officer and Secretary: Samantha Hannan

Ms. Hannan has held these positions since April 2023. She has been General Counsel for our Ultimate Parent since January 2021. Ms. Hannan was Deputy General Counsel of Alteon Health in Plantation, Florida from December 2019 to December 2020. She was Counsel at Envision Healthcare in Plantation, Florida from July 2014 to October 2019.

Vice President, Treasurer and Global Financial Services: Stephen Bodman

Mr. Bodman has held this position since April 2023. He has been Vice President, Treasurer and Global Financial Services for our Ultimate Parent since March 2018. ~~Mr. Bodman was Director, Wholesale Credit for JD Financial Luxembourg, in Mannheim, Germany from October 1993 to December 2017.~~

General Manager, North America Franchise and Retail: John Shields

Mr. Shields has been our General Manager, North America Franchise and Retail since November 2022. He was Senior Director, North America Franchise and Retail from November 2020 to November 2022. He was Director of Franchise Development from June 2019 to November 2020. From September 2015 to June 2019, he served as Northeast Business Development, Finance for our Ultimate Parent.

Director of Franchise Success: Alex Tosta

Mr. Tosta has been our Director of Franchise Success since November 2020. From August 2018 to November 2020, he served as Director of Retail Operations, North America for our Ultimate Parent. From October 2016 to August 2018, he served as Head of Business Development, Latin America for our Ultimate Parent.

Retail Franchise Project Coordinator: Dawn Arnold

Ms. Arnold has been our Retail Franchise Project Coordinate since August 2019. From January 2019 to August 2019, Ms. Arnold was unemployed. ~~From August 2016 to December 2018 she served as Operations Manager—Third Party Risk Management for U.S. Bank in Oshkosh, Wisconsin.~~

Manager: Michele Ribar-Kuechler

Ms. Ribar-Kuechler has been our Manager since February 2023. From April 2022 to January 2023, Ms. Ribar-Kuechler served as Director for NuSpine Franchise System, DBA NuSpine Chiropractic in Scottsdale Arizona. From August 2015 to March 2022 she services as Director for The Joint Corp., DBA The Joint Chiropractic in Scottsdale, Arizona.

ITEM 3 LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5 INITIAL FEES

Initial Franchise Fee

You must pay us an initial franchise fee in a lump sum when you sign the Franchise Agreement. Our standard initial franchise fee ("Initial Franchise Fee") currently is \$30,000 for each Speed Queen Store. If we cannot mutually agree upon a site within six months of signing the Franchise Agreement, the Initial Franchise Fee will be refunded.

Initial Area Development Fee

If you sign an Area Development Agreement, you must pay us an initial area development fee (“Initial Area Development Fee”) equal to \$10,000 for each Speed Queen Store to be developed under the Area Development Agreement. You will receive a credit against the payment of the Initial Franchise Fee equal to the portion of the Initial Area Development Fee allocable to each Speed Queen Store. You will also be required to sign the first Franchise Agreement (and pay the Initial Franchise Fee) when you sign the Development Agreement.

Technology Package

You must purchase certain components of the Technology Package required to open and operate your Speed Queen Store from us or our Ultimate Parent. These components include the Value Center, Payment Center, network gateways, and initial order of Key Fobs. The cost of the components of the technology package that you must purchase from us or our Ultimate Parent is \$16,000 to \$24,000.

Laundry Equipment

Certain approved suppliers of laundry equipment are affiliates of ours. If you purchase laundry equipment from an affiliate the estimated cost of such equipment from \$530,000 to \$938,500.

Except as otherwise described above, the Initial Franchise Fee, Initial Area Development Fee and other fees and expenses we describe in this Item 5 are not refundable. These fees are typically uniform for all new franchisees in the system; ~~however, 2 franchisees. During our last fiscal year, no franchisee paid a reduced Initial Franchise Fee of \$25,000 because they were military veterans.~~ fee different from those stated above.

ITEM 6 OTHER FEES

Type of Fee (Note 1)	Amount	Due Date	Remarks
Royalty	4% of Gross Sales	Payable each month by the 15 th based upon the Gross Sales in the preceding month.	See Note 2 for the definition of “Gross Sales.” Paid by electronic funds transfer.
Marketing Fund Contribution	1% of your Gross Sales	Payable each month by the 15 th based upon the Gross Sales for the preceding month.	The total amount to be contributed to Marketing Fund, to any Cooperative and spent on local advertising shall not exceed 4% of Gross Sales. Due upon commencement of business.

Type of Fee (Note 1)	Amount	Due Date	Remarks
Advertising Cooperative Contributions	A minimum of 1% of your Gross Sales.	Payable each month by the 15 th based upon the Gross Sales for the preceding month.	We have the right to establish a Cooperative (as defined in Item 11) in your region. Contributions to the Cooperative will be credited to your obligation to spend a minimum of 1% of Gross Sales on local advertising. You must contribute to the Cooperative amounts the documents governing the Cooperative require.
Technology Fee	1% of Gross Sales	Payable each month on the 15 th based upon the Gross Sales for the preceding month.	Paid by electronic funds transfer.
Renewal Franchise	\$10,000	Upon signing of renewal franchise agreement.	When you acquire renewal franchise after initial term expires. The term of the renewal franchise agreement may need to be revised to match loan documents for equipment.
Transfer Fee	\$5,000	Prior to transfer of the franchise.	We may also require that you reimburse us for costs we incur during the review process of the transfer, including, but not limited to attorney fees. Paid only if you transfer the Area Development Agreement or the Franchise Agreement or sell your rights in the franchise to a new franchisee.
Relocation Fee	\$5,000	Prior to relocation.	We may also require that you reimburse us for costs we incur during the review process of the relocation, including, but not limited to attorney fees.

Type of Fee (Note 1)	Amount	Due Date	Remarks
Supplemental Training	\$250 per day, per person; plus reimbursement of our actual costs, including travel, lodging and meals.	14 days after billing.	We do not charge for the initial training for your Representative (see Note 3) and managers. If you want us to train other personnel or if we determine additional training is required, you must pay us this fee plus our actual costs of travel, lodging and meals. Paid by electronic funds transfer.
Audit	Cost of inspection or audit	14 days after billing.	Interest due if there is an understatement in the Royalty Fee or marketing contributions. You must pay cost of audit if understatement exceeds 1.5% of Gross Sales in any month. Paid by electronic funds transfer.
Brand Standard Re-Audit (Mystery Shopper)	\$500 + travel, accommodation and meals, if required	14 days after billing.	If your operating results are below certain minimum standards that we specify in our Operating Playbook, we reserve the right to conduct extra mystery shops at your expense. Paid by electronic funds transfer.
Interest	18% per year on underpayment (See Note 4)	Upon demand.	Only due if there are any past due payments to us, measured from the payment was originally due until it was actually paid
Indemnification	Varies	As incurred.	Subject to state law.
Costs and Attorneys' Fees	Varies	As incurred.	Due upon your default.
Temporary Management Fee	10% of Gross Sales, plus reasonable costs	As incurred.	If we determine, in our reasonable discretion, that we must temporarily manage your Speed Queen Store, then you shall pay all costs incurred by us to manage your Speed Queen Store, including any and all travel expenses, room and board and compensation of our employees.

Type of Fee (Note 1)	Amount	Due Date	Remarks
Supplier/Product Evaluation	\$25 to \$500 for each supplier/product that we approve.	As incurred.	Due if you want to buy an alternative item or purchase the item from an alternative supplier. We may charge you or the supplier a reasonable fee for the inspection and evaluation of such item.
Late Fee	\$100	When billed.	Due for each late or dishonored payment. Subject to state law.

NOTES TO CHART

- (1) Unless otherwise noted, all of the fees or charges described in this Item derive from the Franchise Agreement. Unless otherwise noted, all fees are non-refundable, payable to us, and uniformly imposed on all franchisees receiving this offering. In the past, we have negotiated deals with new franchisees and certain existing franchisees may not pay the fees noted above.
- (2) “Gross Sales” means all revenue from the sale of all services and products and all other income of every kind and nature (including stored value gift cards and gift certificates when redeemed but not when purchased, on-premises sales, sales of pick-up and delivery services, outsourced services sales or commercial account sales, and any other type of sale) related to the Franchised Business, whether for cash or credit and regardless of collection in the case of credit.) related to your Speed Queen Store, whether for cash or credit and regardless of collection in the case of credit. Gross Sales does not include: (1) any bona fide documented national, regional, or local sales taxes that you collect from customers and pay to the appropriate taxing authority; (2) the sale of services for which refunds have been made in good faith to customers; (3) the sale of fixtures, furnishings, equipment, signage, emblems, lettering, logos, and display materials used in the operation of your Speed Queen Store; and (4) customer promotional discounts approved by us. We have the right to disallow any deductions from Gross Sales.
- (3) We require that you designate a single individual to serve as your designated “Representative” if the franchisee is an entity.
- (4) Interest starts to accrue only if your payment is not made on time and, if so, when your payment was initially due. If a maximum interest rate applies under your state’s law, then interest will not exceed that maximum rate.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT
FOR A SPEED QUEEN STORE UNDER A FRANCHISE AGREEMENT

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low Estimate	High Estimate			
Franchise Fee (1)	\$30,000	\$30,000	Lump Sum	At signing of Franchise Agreement	Us
Leasehold Improvements (2)	\$336,000 <u>\$375,000</u>	\$616,000 <u>\$687,500</u>	Lump Sum	As incurred before opening	Contractors
Washer and Dryer Equipment (3)	\$530,000	\$938,500	Lump Sum	Upon delivery prior to opening	Vendors (which may be our affiliates or distributors) <u>Distributors (including those owned by our Ultimate Parent)</u>
Technology Package (4)	\$42,500	\$43,000	Lump Sum	Prior to opening	<u>Distributors, Vendors and, Ultimate Parent, Us, Affiliates</u>
Computer System Equipment (5)	\$15,500	\$16,500	Lump Sum	Prior to opening	Vendors
Fixtures (7)	\$45,000	\$58,000	Lump Sum	Prior to opening	Vendors
Furniture (7)	\$14,500	\$23,000	Lump Sum	Prior to opening	Vendors
Security and AV (6)	\$23,000	\$25,000	Lump Sum	Prior to opening	Vendors
Supplies and Inventory (8)	\$4,000	\$9,000	Lump Sum	Upon delivery	Vendors

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low Estimate	High Estimate			
				before opening	
Design and Permit	\$41,000 <u>\$34,500</u>	\$45,000 <u>\$38,500</u>	Lump Sum	Variance times during the project	Architect, Engineer, Expeditor, Municipalities
Signage	\$29,500	\$31,000	Lump Sum	Upon delivery	Vendors
Additional Funds (3 months) (9)	\$20,000	\$40,000	Lump Sum	As incurred before opening	Vendors, Suppliers, Employees, Utilities Landlord, etc.
TOTAL (10)(11)	\$1,131,000 <u>\$163,500</u>	\$1,875,000 <u>\$940,000</u>			

NOTES TO TABLE 1

- (1) The Initial Franchise Fee is \$30,000. However, we will apply \$10,000 of the Initial Area Development Fee paid under an Area Development Agreement toward the Initial Franchise Fee for each Speed Queen Store you open under the Area Development Agreement. (See Item 5)
- (2) Speed Queen Stores are typically located in strip centers and freestanding locations. The total estimated initial investment does not include real estate due to the cost of purchasing or leasing and developing a site for a Speed Queen Store will vary considerably depending on such factors as regional cost variances, unions, size, location and supply and demand within the local real estate market. You will need to purchase or lease a building of approximately 3,000 square feet to approximately 5,500 square feet and pay the cost of site work and/or leasehold improvements. Leases typically have an initial term of 10 years with a minimum of two 3-year options and include base rent, triple net, and landlord's contribution for tenant improvements ranging from zero dollars \$0 to \$35.00 per square foot. In addition, there will be local/state/county/city costs which may vary and include fees for electrical, water and gas upgrades, tap fees, meter fees, etc.
- (3) ~~This estimate covers~~ The cost of purchasing laundry equipment for your Speed Queen Store, including bases.
- (4) The Technology Package is a comprehensive proprietary package that includes Value Center machines, Payment Center machines, bill changer, network gateways, and a fully integrated POS system and peripherals. This item covers the costs of SPEED QUEEN

Laundry's POS System plus all training and support. The POS system is a fully integrated electronic point of sale system that includes all supporting hardware. ~~We estimate that~~ The cost of the components of the technology package that you must purchase from us ~~or~~ our Ultimate Parent or affiliates is \$16,000 to \$24,000.

- (5) This estimate covers our required Computer System, which includes office computer(s), a network firewall, wireless access points, tablets and mounts for the lounge area, and related support and management subscriptions. A three-year management subscription for the Firewall and Wireless AP is included in this estimate; from time to time vendors might incentivize longer subscription periods for a lower per annum price
- (6) This estimate covers our required security system, which includes surveillance cameras, network video recorder, alarm system, TVs, audio and speaker system, and low voltage wiring installation.
- (7) Designated fixtures and furniture include bulkheads, troughs, lounge furniture, laundry carts, safe and millwork.
- (8) We estimate the cost of the opening detergent, laundry bags, office supplies, cleaning supplies and uniforms orders to range \$4,000 to \$9,000.
- (9) This estimate includes working capital for the 3 months and includes general operating expenses, such as lease payments, inventory, payroll expenses, facility expenses, insurance, pest control, security, repairs and maintenance and complimentary sales and other costs. These figures are estimates based upon our experience by our affiliates in opening and operating laundromats and we cannot assure you that you will not have additional expenses in starting your Speed Queen Store.
- (10) These figures are only estimates. These estimates do not include real estate and related costs, and landlord allowances. We relied on the experience of our affiliates in operating laundromats to compile these estimates. You should review these figures carefully with a business advisor, accountant or attorney before making any decision to purchase a franchise.
- (11) Our Ultimate Parent will provide financing to qualified franchisees for a portion of the initial investment. That financing arrangements currently offered by our Ultimate Parent are discussed in detail in Item 10.

TABLE 2
YOUR ESTIMATED INITIAL INVESTMENT
FOR A SPEED QUEEN STORE UNDER AN AREA DEVELOPMENT AGREEMENT
Assumes Area Development Agreement for Minimum of Three (3) Speed Queen Stores

Type of Expenditure	Estimated Amount		Method of Payment	When Payment Is Due	To Whom Payment Is Made
	Low Estimate	High Estimate			
Initial Area Development Fee (See Note 1)	\$30,000	\$30,000	Lump sum	Upon signing Area Development Agreement	Us
Remainder of Franchise Fees	\$60,000	\$60,000	Lump	Upon signing Franchise Agreement	Us
Business Plan Preparation/ Professional Fees (See Note 2)	\$1,000	\$5,000	As incurred	As incurred	Third parties
Total Estimated Initial Investment for Three (3) Speed Queen Stores (Based Upon High / Low Ranges from Table Above Minus \$90,000 in Franchise Fees)	\$3, 303,000 <u>400,500</u>	\$5, 535,730 <u>630,000</u>	See Table Above for Each Expenditure	See Table Above for Each Expenditure	See Table Above for Each Expenditure
TOTAL	\$3,394,000<u>491,500</u>	\$5,630,825<u>725,000</u>			

NOTES TO TABLE 2

- (1) Your estimated initial investment under the Area Development Agreement will vary depending on the number of Speed Queen Stores you develop within the Development Area. The estimated initial investment chart reflects the minimum number of three (3) development commitments. No part of this initial investment is refundable, although we will apply the applicable portion of the Initial Area Development Fee towards the Initial Franchise Fee owed under each Franchise Agreement that the Area Development Agreement covers. The initial

estimated cost for each Speed Queen Store developed under the Area Development Agreement is currently \$1,~~131,000~~163,500 to \$1,~~875~~940,000, as set forth in the chart for the Franchise Agreement; but we reduced that amount by \$30,000 for each Speed Queen store because the Franchise Fee is reflected in the table for the estimated investment for the Area Development Agreement.

- (2) Except for the Initial Area Development Fee, and professional fees, there is no additional initial investment for training, real property, equipment, fixtures, other fixed assets, construction, remodeling, leasehold improvements, decorating costs, inventory, security deposits, utility deposit, business licenses, other prepaid expenses or other costs required to begin operating under the Area Development Agreement.

Other than described above, all fees in this Item 7 are uniformly imposed on all franchisees and are non-refundable under any circumstance.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Standards and Specifications

To maintain uniformity and insure high standards of quality and service offered by your Speed Queen Store, we issue standards and specifications to you in the Playbook and otherwise, including, without limitation, in writing and by e-mail. You must operate your Speed Queen Store in strict conformity with our standards and specifications. You must maintain in sufficient supply and use and sell only approved products and services and other goods that meet our standards and specifications, which may include products specified by us by name brand. As part of our specifications, we may designate or approve only certain suppliers for your purchases.

You shall maintain the premises in a high degree of sanitation and repair and shall make such repairs and replacements as we may require, in our sole discretion, including, without limitation, periodic repainting or replacement of signs, furnishings, decor, flooring and damaged equipment and computer systems. No alterations, improvements or changes of any kind in design, equipment, signs, interior or exterior décor items, fixtures or furnishings shall be made in or about Speed Queen Store without our prior written approval.

Designated and Approved Suppliers

We have the right to limit the suppliers from whom you purchase equipment, supplies, and other products and services for your Speed Queen Store. We restrict the sources of products and services to assure (1) quality and uniformity of products and services offered at all SPEED QUEEN® laundromats and (2) reliable supply to you of products and services that meet our standards. We also limit the suppliers to achieve better terms of purchase and delivery and to control usage of the Licensed Marks by third parties and to monitor the sale of these items. For products and other items which bear the Licensed Marks, suppliers may, at our option, be limited to us or one of our affiliates or to other specified exclusive sources, in which case you would have to buy these products and the other items only from us, or from our affiliate or from the other exclusive sources at the prices we or they decide to charge. Any purchases of products and services, directly from us or our affiliates, whether required or voluntary, may be at prices which exceed our costs.

We currently do not, but may in the future, negotiate purchase arrangements with suppliers, including price and terms, for the benefit of franchisees. According to the terms of our Franchise Agreement, we and our affiliate have the right to receive payments from suppliers on account of your purchase from suppliers and to use any amount received from such payment for any purpose without restriction.

You must purchase the required laundry equipment used in the operation of your Speed Queen Store from vendors and suppliers approved by us (which may be affiliates of ours), as determined by us, in our sole discretion, upon written notice to you. All laundry equipment must be branded "SPEED QUEEN." We and our Ultimate Parent are the sole providers of certain components of the Technology Package. ~~During our last~~in fiscal year 2023, our Ultimate Parent received ~~revenue of \$3,493,748.25~~\$1,537,000 from ~~sales of equipment and other items~~sales to ~~Speed Queen~~ franchisees. We, our parents or our affiliates (including those listed in Item 1) may in the future receive revenue from the sale of laundry equipment and other items to franchisees. During our last fiscal year, neither we nor our affiliates received any allowances or rebates based upon franchisee purchases. We, our parents or our affiliates may in the future receive rebates and we will use them in our sole discretion.

You must purchase folding tables, bulkheads, laundry supplies and inventory, uniforms, mats, interior and exterior signage from vendors and suppliers approved by us, as determined by us, in our sole discretion, upon written notice to you.

Other than interests owned in our parents or our affiliates, none of our officers own an interest in any designated supplier.

If you want to buy or lease any item or service that we have not yet evaluated or approved, or want to buy or lease from the supplier that we have not yet approved or designated, you must first send us sufficient information, specifications, and samples so that we can determine whether that item or service complies with our standards and specification and/or whether the supplier meets our approved supplier criteria. We may charge you or the supplier a reasonable fee for the valuation and decide within a reasonable time (generally no more than 60 days) whether or not we approve or disapprove the item or service. We periodically will establish procedures for your request and may limit the number of approved items, services or suppliers, as we determine in our sole discretion.

Supplier approval might depend on product quality, delivery frequency and reliability or on service standards or financial capability or customer relation or concentration of purchases with limited suppliers to obtain better prices and service, and/or a supplier's willingness to pay us or our affiliate for the right to do business with our system. We may inspect a proposed supplier's facilities during or 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 supplier, or for a new product or service. We will maintain approved supplier criteria. However, this criteria will not be issued to you.

We estimate that the percentage of the required purchase of products and services in relationship to all purchases that you incur in establishing the Speed Queen Store is 50% to 60%. We estimate that your purchase of products and services from approved suppliers in the operation of your Speed Queen Store will be approximately 2% to 15% of your total ongoing costs.

Insurance

You must obtain and maintain insurance coverage in the types and amounts specified below (or otherwise provided to you in writing and/or as outlined in the Playbook), naming us and our Affiliate as additional insureds:

Commercial general liability insurance, including bodily injury and property damage, with coverage of not less than \$1,000,000 per occurrence; \$2,000,000 aggregate; and

Property Insurance: Coverage is to be written on a "Special Form" policy or its equivalent, with limits not less than 100% replacement value of the total of all improvements and betterments, facility fixtures and equipment, and inventory.

We may, upon written notice to you, increase the minimum coverage of insurance and/or require different or additional kinds of insurance to reflect inflation, changes in standards of liability, or other relevant changes and circumstances. You must obtain and thereafter maintain such insurance at the increased level of coverage.

If at any time you fail or refuse to maintain in effect any insurance coverage required by us, or to furnish satisfactory evidence of such insurance, we may, at our option and in addition to other rights and remedies we may have, obtain insurance coverage, on your behalf, and you agree to properly execute any applications or other forms or instruments required to obtain any such insurance and pay to us on demand any cost and premiums we incur. Your obligation to obtain and maintain the insurance coverage described herein is a material obligation of the Franchise Agreement. Failure to comply shall constitute good cause for termination of the Franchise Agreement.

Purchasing/Distribution Cooperatives

There currently are no purchasing or distribution cooperatives that you must join or in which you may participate.

We do not provide any material benefits to you based on your use of designated or approved suppliers or for the purchase of particular products and services, except for increasing purchasing power and lowering costs.

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 franchise disclosure document.

Obligation	Section in Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Section 8 in Area Development Agreement. Section 4 in Franchise Agreement.	Item 11
b. Pre-opening purchases/leases	Section 8 in Area Development Agreement. Section 5 in Franchise Agreement.	Items 7 and 8
c. Site development and other pre-opening requirements	Section 8 in Area Development Agreement. Section 4 in Franchise Agreement.	Items 7, 8, and 11
d. Initial and ongoing training	Not Applicable in Area Development Agreement Section 6 in Franchise Agreement.	Items 5, 6 and 11

Obligation	Section in Agreement	Disclosure Document Item
e. Opening	Section 8 in Area Development Agreement. Sections 5 and 6 in Franchise Agreement.	Item 11
f. Fees	Section 9 in Area Development Agreement. Section 10 and 11 in Franchise Agreement.	Items 5 and 6 Items 5, 6 and 7
g. Compliance with standards and policies/ operating manual	Not Applicable in Area Development Agreement. Sections 5, 6 and 12 in Franchise Agreement.	Items 8 and 11
h. Trademarks and proprietary information	Section 14 in Area Development Agreement. Section 7 in Franchise Agreement.	Items 13 and 14
i. Restriction on products/services offered	Not Applicable in Area Development Agreement. Section 12 in Franchise Agreement.	Items 8, 11 and 16
j. Warranty and customer service requirements	Not Applicable in Area Development Agreement. Section 12 in Franchise Agreement.	Item 11
k. Territorial development and sales quotas	Section 4 in Area Development Agreement. Section 2 in Franchise Agreement.	Item 12
l. Ongoing product/service purchases	Not Applicable in Area Development Agreement. Section 12 in Franchise Agreement.	Item 8
m. Maintenance, appearance and remodeling requirements	Not Applicable in Area Development Agreement. Section 12 in Franchise Agreement.	Item 11
n. Insurance	Not Applicable in Area Development Agreement. Section 13 in Franchise Agreement.	Items 7 and 8
o. Advertising	Not Applicable in Area Development Agreement. Section 14 in Franchise Agreement.	Items 6, 7 and 11
p. Indemnification	Section 13 in Area Development Agreement. Section 9 in Franchise Agreement.	Item 6
q. Owner's participation/management/staffing	Section 7 in Area Development Agreement. Section 12 in Franchise Agreement.	Items 11 and 15
r. Records/reports	Section 20 in Area Development Agreement. Sections 11 and 15 in Franchise Agreement.	Item 11

Obligation	Section in Agreement	Disclosure Document Item
s. Inspections/audits	Section 20 in Area Development Agreement. Sections 15 and 16 in Franchise Agreement.	Items 6 and 11
t. Transfer	Section 17 in Area Development Agreement. Section 17 <u>in 17</u> in Franchise Agreement.	Items 6 and 17
u. Renewal	Section 4 in Area Development Agreement. Section 18 in Franchise Agreement.	Item 17
v. Post-termination obligations	Section 16 in Area Development Agreement. Section 20 in Franchise Agreement.	Item 17
w. Non-competition covenants	Section 11 in Area Development Agreement. Section 21 in Franchise Agreement.	Items 15 and 17
x. Dispute resolution	Sections 22 and 23 in Area Development Agreement. Sections 22 and 23 in Franchise Agreement.	Item 17
y. Guaranty and Assumption of Obligations	Section 17 in Area Development. Attached to Franchise Agreement.	Not Applicable

ITEM 10 FINANCING

Our Ultimate Parent will provide financing to qualified franchisees for a portion of the initial investment. The amount of the loan repayment will vary with each franchisee, depending on the amount financed, the term of the loan and the interest rate at the time of the execution of the loan documents. The table below provides an example of the terms of a loan and the estimated loan repayment:

Summary of Financing Offered*	
Source of Finance	Alliance Laundry Systems LLC (note 1)
Financing Fees	50-100 bps of financed amount
Down Payment Required	10-30% (note 3)
Amount financed	70-90% (note 4)
Term (years)	5-10 years
Interest Rate	The then-current WSJ Prime + 1.50% - 4.50% (note 4)
Estimated Monthly Payment	\$7,827.63 <u>\$8,472.80</u> (interest only), \$13,887.42 <u>14,314.31</u>
Deferral Period	1st payment deferred 90 days (note 5)
Interest Only	First 1-16 payments (note 6)
Security Interest	Property (not real estate) at the Store
Prepay Penalty	None (note 11)
Security Deposit	None (note 11)

Summary of Financing Offered*	
Late Payment Fee	Lesser of 10% of delinquent payment or max allowed by law
Items Financed	Laundry related equipment & Tenant Improvements
Liability upon default	Personal Guaranty, Equipment, Leasehold Interest (Note 7)
Loss of legal rights on Default	See supplement loan document attachment.

* terms are subject to state law

NOTES TO TABLE

- (1) SPEED QUEEN Laundry Franchise LLC does not arrange financing from other sources.
- (2) You and your spouse must sign a personal guaranty. An additional personal guaranty may be required if you cannot meet the lender's credit requirements.
- (3) Franchisee required to put 10-30% down on the total project cost; which include but are not limited to, cost of laundry related equipment, furniture, tenant improvements, franchise fee. The percent down payment is determined based on Alliance Laundry Systems LLC's internal finance scoring which factors in such items as an investors credit score, net worth, cash verified in bank/investment accounts, business/laundry ownership experience, and includes laundry location factors as percentage of renters needed to break even and number of laundry competitors in the target area. This is subject to Franchisee meeting our Ultimate Parent's credit criteria and a ratio of Tenant Improvements to Laundry Equipment that is satisfactory to the Lender.
- (4) Financed amount will be a total of 70-90% of the project costs with a maximum loan amount not to exceed \$2,000,000. See note 3 for description on project costs and the determination of exact percentage. This is subject to Franchisee meeting our Ultimate Parent's credit criteria and a ratio of Tenant Improvements to Laundry Equipment that is satisfactory to the Lender.
- (5) Interest rates will be variable and fall between WSJ Prime + 1.50% & WSJ Prime + 4.50% based the creditworthiness described in note 3. Therefore, the interest rate may change during the life of the loan as it is determined by adding the above spread to the highest "prime rate" rate of interest published, from time to time, by the Wall Street Journal. WSJ Prime Rate is set by the Federal Reserve and is subject to change. There may be a WSJ Prime Rate Floor that is set at the lender's discretion.
- (6) Estimated monthly payment is calculated using a \$1,000,000 loan at an interest rate of WSJ Prime + 1.50% using the WSJ Prime rate effective 3/4/2023. The terms used to estimate this payment are 90 days deferred, 10 months interest only, and 108 months principal and interest. This is an estimate to be used for information purposes only.
- (7) Interest begins accruing upon funding of loan, but first payment deferred for up to 90 days
- (8) Potential liabilities upon default include, but are not limited to, acceleration of amount due, attorneys' fees and costs, interest, prepayment fee, and termination of the Franchise Agreement. Additional guaranties may be required at the lender's discretion.
- (9) Payments of interest only are available for the first 1-16 payments based on the creditworthiness described in note 3

- (10) We do not now, but reserve the right to do so in the future, sell, assign or discount to a third party all or part of the financing arrangement, at which time, the assignment terms and conditions (such as loss of defenses against the lender as a result of the sale are assignment) will be determined.
- (11) You are required, subject to state law, to waive defenses or other legal rights, and you are barred from asserting any defenses.
- (12) Lender may require a pre-payment penalty or security deposit if Franchisee doesn't meet the creditworthiness requirements as discussed in note 3.

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Pre-opening Obligations:

Before you open the Speed Queen Store, we will:

1. Provide you with our written site criteria package. (Area Development Agreement, Section 8; Franchise Agreement, Section 4).
2. Review the sites you propose for your Speed Queen store, as described in more detail below (Franchise Agreement, Section 4.A.).
3. Loan you or provide online access to our Playbook, as revised periodically (the "Playbook" (Franchise Agreement, Section 8.C.).
4. Provide marketing materials developed by us (Franchise Agreement, Section 8.F.).
5. Provide you with standards and specifications for the (a) construction and decorating materials, fixtures, equipment, furniture, and signs to be used in the establishment and operation of your Speed Queen Store. If we require you to use approved suppliers for these items, we will provide you with the names of the approved suppliers. We will provide this information in writing, in the Playbook or in other materials we provide. We do not deliver or install these items. (Franchise Agreement, Section 5.B.)
6. Provide an initial training program for you (or, if you are not an individual, your Representative and your manager, at no cost, which you must attend and complete to your satisfaction (Franchise Agreement, Section 8.H.).

Site Selection and Construction

The procedure for selecting a site for your Speed Queen Store is outlined in Section 4 of the Franchise Agreement. You must secure and construct a site at your own expense.

If you have not identified a site for your Speed Queen Store at the time you sign the Franchise Agreement, you will have 180 days (the "Search Period") to find a suitable site located within the geographic area that you and we designate as your "Site Selection Area."

Once you have identified a potential site, you must submit it to us for approval. We may require you to provide us with: (a) a completed site approval form (in the form that we require which is currently

submitting to us the location); (b) other information or materials that we may reasonably require; and (c) an option contract, letter of intent, or other evidence satisfactory to us that confirms your favorable prospects for obtaining the site. We are not required to visit any site proposed by you. However, in the event you request that we conduct an on-site review of a site or in the event we determine an on-site review of a site is necessary, then you must reimburse us for our direct costs and expenses to conduct the on-site review. We will have 30 days after receipt of all required information and materials from you to approve or disapprove the proposed site as the “Premises” for your Speed Queen Store. If we do not approve a proposed site by giving you written notice within the 30-day period, then SQLF will be deemed to have disapproved the site. Your failure to select a site in accordance with our requirements may result in the termination of the Franchise Agreement.

After we have approved a site and before the expiration of the Search Period, you must execute a lease, which must be coterminous with the Franchise Agreement, or a binding agreement to purchase the site. We must approve any lease you sign and our approval will be conditioned upon you and your landlord executing the “Lease Rider” attached to the Franchise Agreement.

After we have approved the location for your Speed Queen Store and you have leased or acquired that location, the location will constitute the “Premises” described in Section 2.A. of the Franchise Agreement. Our approval of the site and our review of the demographic information you provide us for your proposed site does not place any liability or responsibility upon us for the selection of the site nor do we provide any representation or warranty that the site you select will be profitable or otherwise successful.

If you have entered into an Area Development Agreement for multiple SPEED QUEEN® laundromats, you must select a site for each SPEED QUEEN® laundromat in accordance with the Area Development Agreement.

You may request we and/or our affiliates provide you with more comprehensive site selection assistance, however, we and/or our affiliates are under no obligation to do so. If we agree to provide you with more comprehensive site selection assistance, you will be required to execute any documentation and pay any fees or other amounts we require.

We may also identify sites for Speed Queen Stores and enter into leases for such locations. If we have identified a site in your Site selection Area and you decide to take over that site from us, you will be required to execute any documentation and pay any fees or other amounts required by us. You are not required to take over any sites that we have entered into leases for.

Construction

The procedure for constructing your Speed Queen Store is outlined in Section 5 of the Franchise Agreement. You must construct your Speed Queen Store at your own expense.

We may require that you use our designated designer to provide the layout and design for the Premises. If our designated designer completes the layout and design, we will choose an architect to complete the work drawings based on the layout and design or, if we waive our right to choose the architect, then you will choose an architect that meets our specifications to complete the working drawings based on the layout and design. If we do not require you to use our designated designer, we will furnish you with our then-current prototype plans and other specifications for a Speed Queen Store, reflecting our requirements for dimensions, interior design and layout, image, building materials, fixtures, equipment, furniture, signs and decor.

You must submit the final plans for the Premises (including all mechanical, plumbing and engineering) to SQLF for approval. If we determine, in its sole discretion, that any final plans are not consistent with our specifications, we may prohibit implementation of those plans. Our approval or objection to the plans we be sent to Franchisee in writing, within 30 days after receipt of those plans. We will approve or reject the revised plans within 30 days of receipt.

You are solely responsible for the accuracy of the plans and the integrity of the construction of your Speed Queen Store. Further, our review of the plans is only for the purpose of ensuring compliance with SQLF's Specifications and that SQLF's approval of the plans does not constitute a representation, warranty or guarantee, express or implied, that the plans are accurate, free of error, or in compliance with local laws and zoning requirements. You are solely responsible for obtaining all required zoning and building classifications which may be required by any laws, ordinances, regulations or restrictive covenants relating to the construction and operation of your Speed Queen Store at the Premises and obtain all utility, sign, health, sanitation, and business permits and licenses, and any other required permits and licenses (Franchise Agreement, Section 5.A.).

You may request that we and/or our affiliates provide you with more comprehensive construction project management services, however, we and/or our affiliates are under no obligation to do so. If we agree to provide you with more comprehensive project management services, you will be required to execute any documentation and pay any fees or other amounts we require.

Time For Opening

When a Speed Queen Store is developed and opened under both an Area Development Agreement and a Franchise Agreement, the time period between the signing of the Franchise Agreement until the opening of the Speed Queen Store is typically 6 to 18 months. However, time periods may vary depending upon factors including your ability to secure financing, the location and condition of the premises, and the completion of the improvements to the premises. (Franchise Agreement, Section 5.C.)

During your operation of the Speed Queen Store:

1. Provide to you, online access to our Playbook (as defined later in this Item).
2. Provide advice and consult with you periodically in connection with the operation of the Speed Queen Store including advice related to management, sales promotions and customer service.
3. Provide you with the required prices for products and services at your Speed Queen Store that we and/or our approved vendors and suppliers may establish, or have established.
4. Provide periodic evaluations of operations conducted, products sold and services rendered by you.
5. Provide marketing and public relations materials and information developed by us for purchase and use by Franchisee in local marketing.
6. Grant you the right to use our Licensed Marks in the operation of your Speed Queen Store.
7. Develop brochures and advertising materials through the utilization of the Marketing Fund described later in this Item.

Playbook

We provide to you, during the term of the Franchise Agreement, access to our Playbook, which may consist of one or more handbooks or manuals. The Playbook contains mandatory and suggested specifications, standards and operating procedures we prescribe for the operation of your Speed Queen Store and information relative to your other obligations. We have the right to modify the Playbook to reflect changes in products, services, specifications, standards and operating procedures, including marketing techniques. No addition or modification may alter your fundamental status and rights.

The table of contents of the Playbook is attached as Exhibit F. As of the date of this disclosure document, the total number of pages of the Playbook is 31.

Advertising and Marketing

The total combined amount to be contributed to Marketing Fund, to any Cooperative and to be spent on local advertising shall not exceed 4% of Gross Sales.

Marketing Fund

We will administer a Marketing Fund (the “Marketing Fund”). We will direct all Marketing Fund programs, with sole discretion over the creative concepts, materials, endorsements and media used and the placement and allocation of all advertising, marketing and public relations materials. We have the right to determine, in our sole discretion, the composition of all geographic territories and market areas for the development and implementation of advertising, marketing and public relations programs. The Marketing Fund programs and activities are intended to maximize the public’s awareness of all Speed Queen Stores and of the Licensed Marks and we are under no obligation to ensure that you or any other franchisee benefits directly or proportionately from the placement of such advertising, marketing and public relations programs and activities in relationship to franchisees’ contributions to the Marketing Fund. (Franchise Agreement, Section 15.B.)

The Marketing Fund may be used to meet all costs and expenses related to the following Fund programs and activities:

- a. Maintaining, administering, directing and preparing national, regional or local advertising materials, programs and public relations activities, including, without limitation, the cost of preparing and conducting television, radio, video, direct mail, magazine, billboard, newspaper, Internet including the costs of developing and maintaining an internet website, and other media programs and activities;
- b. Employing advertising agencies/public relations and utilizing our administrative personnel to perform advertising and public relations services;
- c. Developing promotional brochures and advertising materials, including, without limitation, point of sale materials, for all Speed Queen Stores for purchase by franchisees and by regional and local advertising cooperatives;
- d. Conducting market research, testing and development of new products, services and equipment considered for a Speed Queen Store;
- e. Reimbursement of our administrative and personnel costs and salaries and overhead associated with advertising, marketing, telemarketing, public relations, market research, product

development and payment for consultants providing services in product development, customer satisfaction, guest loyalty, consumer research and any expenses related to these services;

- f. Annual franchisee convention costs;
- g. Technology-related costs to develop and promote Speed Queen Store; and
- h. Internal client communication, networking and education.

The media in which the advertising may be disseminated includes, but is not limited to, print, point of purchase, radio, television, direct mail, electronic, internet, video and billboard. The media coverage may be local, regional or national. The source of the advertising may be in-house advertising and marketing personnel, or a local advertising agency or free-lance artist. You may utilize your own advertising material subject to submission to us and approval by us in writing of the content. Currently, the media coverage is national, local and regional and the source of the advertising, marketing and public relations materials is marketing personnel employed by us or one or more local or regional advertising agencies or freelance artists. We do not have any obligation to spend any amount of advertising in your territory.

Upon commencement of the operation of your Speed Queen Store, you must contribute 1% of Gross Sales to the Marketing Fund. We reserve the right to increase the contribution to the Marketing Fund up to 3%.

Speed Queen Stores that we or any of our affiliates own are not required to contribute to the Marketing Fund.

We will account for the Marketing Fund separately. It is not used to defray any of our general operating expenses, except for salaries, administrative costs, travel and overhead as we may incur in activities related to the development of social media, marketing materials and the administration or direction of the Marketing Fund and its programs and activities as described above and for collecting and accounting for contributions to the Marketing Fund. We will prepare an unaudited annual report of the operations of the Marketing Fund, which will be available to you upon reasonable request.

The Marketing Fund is not our asset; the Marketing Fund is not a trust. We will have no fiduciary obligation to you for administering the Marketing Fund. We may spend on behalf of the Marketing Fund in any fiscal year more or less than the total Marketing Fund Contributions in that year, by borrowing from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will not use contributions for advertising that principally is a solicitation for the sale of franchises.

Although the Marketing Fund is intended to be perpetual, we may terminate the Marketing Fund at any time in our sole discretion. The Marketing Fund will not be terminated until all monies paid to the Marketing Fund have been expended for the activities of the Marketing Fund.

As of December 31, 2023, all monies collected by the Marketing Fund were used to pay the retainer we pay for our marketing agency.

Local Advertising

In addition to contributions to the Marketing Fund, you are currently required to spend a minimum of 1%, less any contributions made to a Cooperative, of annual Gross Sales on local advertising and marketing, designed to publicize the operation of your Speed Queen Store. We may increase the amount you are required to spend on local advertising to up to 4% annual Gross Sales; however, the aggregate of your

contributions to the Marketing Fund and your spending on local advertising will not exceed 4% of Gross Sales. Verification of your marketing expenditures must be submitted to us.

Advertising Council

We do not have an advertising council composed of franchisees that advises us on advertising policies.

Advertising Approval

Before use in your Speed Queen Store, you must send us or our designated agency, for review and approval, samples of all advertising, promotional, and marketing materials that we have not previously prepared or approved. You may not use any advertising or marketing materials that we have not approved or have disapproved. If you have not received our written approval within 14 days after we (or our designated agency) have received the proposed samples, then we will be deemed to have disapproved them. We may require that you purchase certain marketing and promotional materials from us or our designated supplier. (Franchise Agreement, Section 15.E).

Local or Regional Advertising Cooperative

We currently do not, but reserve the right to, designate any geographic area in which two or more Speed Queen Stores are located as a region for purposes of establishing an advertising cooperative (the “Cooperative”). The members of the Cooperative for any area will consist of all Speed Queen Stores whether operated by us, our affiliates or by franchisees. We will determine in advance how each Cooperative will be organized and governed and when it must start operation. We have the right to dissolve, merge, or change the structure of the Cooperatives. Each Cooperative will be organized for the exclusive purpose of administering advertising programs and public relations activities, subject to our approval for use by the members of the Cooperative. If a Cooperative has been established for a geographic area where your Speed Queen Store is located when the Franchise Agreement is signed, or if any Cooperative is established during the term of the Franchise Agreement, you must sign all documents we request and become a member of the Cooperative according to the terms of the documents. Contributions to the Cooperative will be credited to your obligation to spend a minimum of 1% of Gross Sales on local advertising. You must contribute to the Cooperative amounts the documents governing the Cooperative require. You will not have to contribute more than 4% of your Gross Sales during each week to the Cooperative. We will prepare an unaudited annual report of the operations of the Cooperative, which will be available to you upon reasonable request (Franchise Agreement, Section 15.D).

Training

Before your Speed Queen Store opens for business, we will provide our initial training program to you, which consist of three components: (1) Self-directed computer-based training, (2) Live classroom training, and (3) On-the-job training.

You or your Representative or general manager (if you are an entity) must attend our initial training program. We do not charge for the initial training for up to 2 individuals. If you want us to train other personnel or if we determine additional training is required, you must pay us a supplemental training fee equal to \$250 per day, per person; plus reimbursement of our actual costs, including travel, lodging and meals. We plan to offer our initial training program a minimum of four times a year, though we may change this frequency based on need. Currently, there are no fixed training schedules (i.e., monthly or bimonthly) but there may be in the future.

The outline of the training program is as follows:

Training Program

Subject	Hours of On-line Training/Classroom	Hours of on the Job Training	Location
Introduction: Brand & Concept	3	0	Houston, TX or other designated training location
Laundromat Basics: Daily Operations and Services	6	0	Houston, TX or other designated training location
POS and Payment System & Reporting	8	4	Houston, TX or other designated training location
Laundromat Machines and Equipment maintenance	4	2	Houston, TX or other designated training location
Revenue, Profits & Key Indicators	4	0	Houston, TX or other designated training location
Marketing: Customer Acquisition and Retention	8	0	Houston, TX or other designated training location
Franchisee portal	8	0	Houston, TX or other designated training location
Franchisee Compliance and Brand Standards	4	1	Houston, TX or other designated training location
On the Job Training/Experience	0	40	Houston, TX or other designated training location
Total	45 Hours	47 Hours	

Our instructional materials consist of our Playbook.

Michelle Ly oversees our training program. Ms. Ly has been an employee of our Direct Parent for the past ~~three~~four years. She has ~~three~~four years of experience in the laundry industry, and ~~seven~~eight years of experience in training.

You or your Representative, and your managers must attend and successfully complete, to our satisfaction, the entire initial training program at least 14 days before the opening of your Speed Queen Store. As of the date of this disclosure document, we do not require you or your managers to attend supplemental and/or refresher training but reserve the right to do so in the future.

Technology Package

You must acquire and install in your Speed Queen Store, at your own expense, the computer hardware, software, and equipment that we specify (the “Technology Package”). The Technology Package includes proprietary components, value transfer machines, gateways, and a POS system and peripherals. The cost of the Technology Package is \$42,500 to \$43,000.

The annual cost of any optional or required maintenance, updating (only included software), upgrading or enhancement of additional functionality (only included software), and support contracts for the Technology Package is included in the Technology Fee payment.

You are required to record all sales on Speed Queen’s industry POS system that is capable of facilitating a fully integrated sales data information interface into our cloud-based data collection system.

Your system will be required to interface, for the purpose of, the recording and transmission of information collected through the POS system (including, but not limited to, gross sales, Net Sales, discounts, product mix, sales by day part) to our centralized data collection system.

We have independent, unlimited access to the information generated by the Computer System. There are no contractual limitations on our right to access the information and data.

Computer System

You must acquire and install in your Speed Queen Store, at your own expense, the computer hardware, software, and equipment that we specify (the “Computer System”). The Computer System includes office computer, a network firewall, wireless access points, tablets for the lounge area. The cost of the Computer System is \$15,500 to \$16,500, is paid to a third party and may increase.

The annual cost of any optional or required maintenance, updating (only included software), upgrading or enhancement of additional functionality (only included software), and support contracts for the Computer System is approximately \$980 (for multi-year subscription) , is paid to a third party and may increase.

To ensure operational efficiency and optimum communication capability among computer systems installed at your Speed Queen Store, you agree, at your expense, to keep your computer systems in good maintenance and repair, and to promptly install such upgrades, additions, changes, modifications, substitutions and/or replacements of hardware, software, data connectivity, electrical power, and other computer-related facilities, as we direct. You acknowledge that information technology is constantly changing and that the technology the parties contemplate using as of the date of this Agreement may change during the term. Accordingly, you agree to implement at your Speed Queen Store such changes to your information technology as we may require from time to time to maintain competitive and state-of-the-art operations during the term. You must upgrade or replace financial and inventory data processing and communications systems whenever we require it.

You must have a functioning email address so that we can send you notices and otherwise communicate with you by this method.

ITEM 12 TERRITORY

You will not receive an exclusive territory under the Franchise Agreement or the Area Development Agreement. 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 will have no obligation to compensate you in connection with any such activities.

Franchise Agreement

The Franchise Agreement grants you the right to operate a Speed Queen Store at a single location that you select and that we approve. You must operate the Speed Queen Store only at the approved location and may not relocate the Speed Queen Store without first obtaining our written consent. You may not establish or operate another Speed Queen Store unless you enter into a separate Franchise Agreement for that Speed Queen Store.

However, so long as you are in compliance with the terms of the Franchise Agreement, we will not establish a Speed Queen Store or license anyone other than you to establish a Speed Queen Store within the geographic area defined in your Franchise Agreement (the “Territory”). The Territory will be determined by reviewing certain demographic information and proprietary databases (including review of information such as population density, percentage of renters, number of households, average number of people per household, ethnicity, and competition).

During the term of the Franchise Agreement, we retain the right, in our sole discretion:

- (1) to operate (on our own or through one or more of our affiliates), or to grant other persons the right to operate, Speed Queen Stores at locations and on terms we deem appropriate outside the Territory;
- (2) to offer and sell equipment and other products and services authorized for Speed Queen Stores under the Licensed Marks through the Internet, telemarketing, direct marketing, our authorized distribution network and other distribution methods as we select from time to time;
- (3) to offer and sell commercial laundry equipment and related products and services under the Licensed Marks to anyone, anywhere (including operators of competitive commercial laundromats in the Territory);
- (4) to offer and sell the products and services authorized for Speed Queen Stores under any names, marks and commercial symbols other than the Licensed Marks;
- (5) to offer and sell the products and services authorized for Speed Queen Stores under the Licensed Marks in a Non-Traditional Venue;
- (6) to market and promote and to grant other persons the right to market and promote the System in the Territory, including by electronic or digital means, such as Internet websites;
- (7) to own, operate or license others to own and operate, other laundromat and/or dry cleaning concepts, provided the other concepts do not use the Licensed Marks;
- (8) to acquire the assets or ownership interest of one or more businesses providing products and services similar to those provided at Speed Queen Stores, and to franchise, license or create similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or the licensees of these businesses) are located or operating; and

(9) to be acquired (whether through acquisition of assets, ownership interest or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at Speed Queen Stores.

A “Non-Traditional Venue” a facility where the primary function is not a laundromat business, such as (but not limited to) a college or university, private business, factory, hospital, penal institution, military base, or airport.

The rights granted to you under an Area Development Agreement (described below) may include conditions that in some instances limit or restrict site registrations and development after consideration of the type of the proposed development and the proximity of other Speed Queen Store.

Area Development Agreement

1. Size of Development Area

The Area Development Agreement grants you certain rights (as described below) within your Development Area. The size of the Development Area may be a single or multi-city area, a single or multi-county area, or another area which is described in the Development Area attached as an exhibit to the Area Development Agreement. We will determine the Development Area before you sign the Area Development Agreement based on various market and economic factors.

2. Rights During Development Periods

Provided you are in compliance with the material terms and conditions contained in the Area Development Agreement, including the Development Schedule and (2) you are in compliance with all material obligations under Franchise Agreements granted Developer for individual Speed Queen Store, then during the Development Periods according to the Development Schedule, we, (i) will grant Developer the right to own and operate Speed Queen Store located within the Development Area under the terms of SPEED QUEEN’s then-current standard Franchise Agreement; and (ii) will not operate (directly or through an Affiliate) nor grant any other person the right to own or operate Speed Queen Store within the Development Area, except for franchises granted to Developer pursuant to SPEED QUEEN’s then-current standard Franchise Agreement. The territorial rights granted to you under the Area Development Agreement are dependent upon your meeting the development obligations but are not otherwise dependent on the achievement of a certain sales volume or market penetration.

3. Development Obligations, Conditions for Continuation of Rights of Exclusivity

You will at all times faithfully, honestly, and diligently perform your obligations under the Area Development Agreement and you will continuously exert best efforts to timely promote and enhance the development of Speed Queen Stores within the Development Area. You will open and continuously operate the cumulative number of Speed Queen Stores at the end of each Development Period set forth in the Development Schedule. Compliance with the Development Schedule is the essence of the Area Development Agreement.

4. Speed Queen Store Closings

If during the term of the Area Development Agreement, you cease to operate any Speed Queen Store developed under the Area Development Agreement for any reason, other than the transfer of the Speed Queen Store (described below), you must develop a replacement Speed Queen Store to fulfill your obligation to have open and in operation the required number of Speed Queen Stores upon the expiration

of each Development Period. The replacement Speed Queen Store must be developed and opened within 12 months, after Developer ceases to operate the Speed Queen Store to be replaced.

If, during the term of the Area Development Agreement, you, in accordance with the terms of any Franchise Agreement for Speed Queen Stores developed under the Area Development Agreement, transfers its interests in that Speed Queen Store, a transferred Speed Queen Store shall continue to be counted in determining whether the Developer has complied with the Development Schedule so long as it continues to be operated as Speed Queen Store. If the transferred Speed Queen Store ceases to be operated as Speed Queen Store, it will not count toward Developer's compliance with the Development Schedule.

5. Right of First Refusal on Future Stores in Development Area

If you have fully complied with the Area Development Agreement at the end of its term, we will offer you the right to develop additional Speed Queen Stores in the Development Area, subject to our agreement on a new Area Development Agreement.

Reservation of Rights by SQLF

Notwithstanding the above, SPEED QUEEN (on behalf of itself and its Affiliates) retains the right, in its sole discretion and without granting any rights to Developer:

(1) to operate (on its own or through one or more of its Affiliates), or to grant other persons the right to operate, Speed Queen Stores at locations and on terms SQLF deems appropriate outside the Development Area;

(2) to offer and sell equipment and other products and services authorized for a Speed Queen Store under the Licensed Marks through the Internet and websites and through telemarketing, direct marketing and other distribution methods, within and outside the Development Area;

(3) to offer and sell commercial laundry equipment and related products and services under the Licensed Marks to anyone, anywhere (including operators of competitive commercial laundromats in the Development Area)

(4) to offer and sell the products and services authorized for a Speed Queen Store under names, marks and commercial symbols other than the Licensed Marks within the Development Area;

(5) to offer and sell the products and services authorized for a Speed Queen Store under the Licensed Marks in a Non-Traditional Venue within the Development Area;

(6) to market and promote and to grant other persons the right to market and promote the System in the Development Area including by electronic or digital means, such as Internet websites;

(7) to own, operate or license others to own and operate, other laundromat and/or dry cleaning concepts within and outside the Development Area, provided the other concepts do not use the Licensed Marks;

(8) to acquire the assets or ownership interest of one or more businesses providing products and services similar to those provided at a Speed Queen Store, and to franchise, license or create similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or the licensees of these businesses) are located or operating, which may include within the Development Area; and

(9) to be acquired (whether through acquisition of assets, ownership interest or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at a Speed Queen Store, even if such business operates, franchises and/or licenses competitive businesses within the Development Area.

We restrict you from soliciting or accepting orders from outside your territory, including, the use of other channels of distribution such as the Internet, catalog sales, telemarketing, or other direct marketing without our express written permission.

We are not required to pay you if we exercise any of the rights specified above within the Development Area granted by the Area Development Agreement or in the Protected Area granted by the Franchise Agreement.

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

Neither we nor our affiliates offer franchises under a different trademark that sell or will sell goods or services similar to those that you will offer.

ITEM 13 TRADEMARKS

We grant you the right to operate your business under the service mark SPEED QUEEN®. You may also use our other current or future trademarks to operate your Speed Queen Store. By trademark, we mean trade names, trademarks, service marks and logos used to identify your business.

The following table sets forth the federal registrations with the United States Patent and Trademark Office (the "USPTO") on the Principal Register of the marks licensed to you:

MARK	REGISTRATION NUMBER	REGISTRATION DATE
SPEED QUEEN	5027180	August 23, 2016

The Licensed Marks are owned by our Ultimate Parent. Our Ultimate Parent has licensed us the right to use the Licensed Marks and sublicense the use of the Licensed Marks to franchisees, according to a License Agreement dated May 1, 2019. The initial term of the License Agreement is 10 years, but the License Agreement automatically renews for additional consecutive 10- year terms unless at least six months' notice of termination is given.

Our Ultimate Parent may not terminate the License Agreement unless we are in default and do not cure the default within 30 days. If our Ultimate Parent terminates the License Agreement, or if our Ultimate Parent and we mutually agree to cancel the License Agreement, your rights under your Franchise Agreement will not be affected and you may continue to use the Licensed Marks during the term of your Franchise Agreement. In this situation, our Ultimate Parent will step in and serve as the franchisor.

All required affidavits have been filed in a timely manner. There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court and no pending infringement, opposition or cancellation proceedings or material litigation involving the principal Marks. We do not actually know of either superior prior rights or infringing uses that could materially affect your use of the Licensed Marks in any state. All required affidavits and renewals have been filed.

You must notify us immediately of any apparent infringement or challenge to your use of the Licensed Marks, or of any person's claim of any rights in the Licensed Marks or confusingly similar trademark, and you may not communicate with any person other than us, our affiliate, our attorneys, and your attorneys, regarding any infringement, challenge, or claim. We and our affiliate 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 in protecting and maintaining our and our affiliate's interests in any litigation or USPTO or other proceeding. We or our affiliate will reimburse your costs of taking any requested action.

You may not contest our, or our affiliate's, ownership, title, right, or interest in its names or the Licensed Marks, trade secrets, methods, procedures, and advertising techniques that are part of our business or contest our, or our affiliate's right to register, use, or license others to use these names and the Licensed Marks, trade secrets, methods, procedures, and techniques. You must post a notice at your Speed Queen Store indicating that your Speed Queen Store is independently owned and operated.

If it becomes advisable at any time for us and/or you to modify, discontinue using, and/or replace any of the Licensed Marks and/or to use one or more additional, substitute, or replacement trade or service marks together with or instead of any previously designated Licensed Mark you must comply with our directions within a reasonable time after we deliver notice. We and our affiliate need not reimburse your direct expenses for changing the Speed Queen Store' signs, for your lost revenue due to any modified or discontinued Licensed Mark or for your expenses of promoting a modified or substitute trademark or service mark. You may not use any Licensed Mark (1) as part of any corporate or legal business name; (2) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos we license to you); (3) in offering or selling any unauthorized services or products; (4) as part of any domain name, homepage, electronic address, or otherwise in connection with electronic media; or (5) in any other manner we have not expressly authorized in writing.

We will reimburse you for all damages, claims, and expenses that you incur or for which you are liable in any proceeding challenging your right to use any Licensed Mark or other intellectual property under the Franchise Agreement if your use has been consistent with the Franchise Agreement, the Playbook, and our System Standards and you have timely notified us of, and comply with our directions in responding to, the proceeding. At our option, we and/or our affiliate, may defend and control the defense of any proceeding arising from your use of any Licensed Mark or other intellectual property.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We hold no rights to or licenses to any patents that are material to the franchise. We claim copyrights in the Playbook (which contains our trade secrets), certain Speed Queen Store design features, advertising and marketing materials, and similar items used in operating Speed Queen Stores. We have not registered these copyrights with the United States Copyright Office, but need not do so at this time to protect them. You may use these items only as we specify while operating your Speed Queen Store (and must stop using them if we so direct you).

There currently are no effective adverse determinations of the USPTO, the United States Copyright Office or any court regarding the copyrighted materials. Our license with our Ultimate Parent, described in Item 13 also covers copyrighted materials and confidential information. No other 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 and our Ultimate Parent's copyrights that could materially affect your use of copyrighted materials in any state.

We need not protect or defend copyrights, although we intend to do so if in the system's best interests. We will reimburse you for all damages, claims and expenses that you incur or for which you are liable in any proceeding challenging your right to use any intellectual property under the Franchise Agreement, if your use has been consistent with the Franchise Agreement, the Playbook and our System Standards and 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 intellectual property.

Our Playbook and other materials contain our confidential information (some of which constitutes trade secrets under applicable law). 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.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

We do not require that you participate personally in the direct operations of your Speed Queen Store, but if you are an entity, you must be an officer of the Speed Queen Store with an equity ownership. If you are an entity, you must also designate an individual, who is approved by us, to serve as the person who is fully authorized and designated to act on behalf of you with respect to all communications and other interactions between you and us (the "Representative").

The Speed Queen Store must at all times be under the direct, day-to-day, full-time supervision of you, your Representative or a general manager who has satisfactorily completed our training program. If a general manager supervises the Speed Queen Store, you or your Representative must remain active in overseeing the operations of the Speed Queen Store conducted under the supervision of the general manager.

There is no requirement that the Representative own equity in the Speed Queen Store.

If your Representative leaves your employment during the franchise term, you must designate a new Representative (whom we must approve) and have that new Representative attend and satisfactorily complete our full initial training program within the time frame we specify. Item 11 describes our training requirements for your Representative.

Your Representative must agree in writing to preserve confidential information to which they have access and not to compete with you, us and other franchisees.

Personal Guaranty

We may require your business partners, if any, to sign the Guaranty and Assumption of Obligations which is attached to the Franchise Agreement. In the Guaranty and Assumption of Obligations, each guarantor unconditionally guarantees the full and faithful performance of the obligations under the Franchise Agreement and agrees to be personally liable for every breach by you of the Franchise Agreement.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer, provide and sell at your Speed Queen Store all services and products designated by us, in a manner consistent with our comprehensive standards and requirements. In addition, you must offer, provide and sell at your Speed Queen Store all new services and products designated by us. If we decide to

eliminate certain services or products, you must stop offering, providing and selling those services and products. Our right to change the service and product offerings is unrestricted.

You may not offer, provide or sell any services or products at or from your Speed Queen Store, or conduct any other business at or from your Speed Queen Store, unless we specifically approve the offering, provision and sale of those services or products. In addition, you may not offer, provide or sell any products or services specified by us in any configuration, form or manner (including items for resale) other than that specifically approved by us. You may not provide services or sell products from a location other than your Speed Queen Store, or ship or deliver products. You may not offer, provide or sell at your Speed Queen Store any service or product that may be injurious to our business, the goodwill associated with the Licensed Marks or your Speed Queen Store.

Except as we expressly permit, you may not use, or authorize anyone else to use, the Licensed Marks to advertise, promote, offer or sell any services and/or products through the Internet.

We may select certain of our franchisees that are permitted and/or required to participate in new service or product tests, new or modified service or product offerings and other programs, initiatives and campaigns that we may, from time-to-time, develop.

As a service to you and our other franchisees, we may, but are not obligated to, utilize our experience and the data obtained from our affiliates and franchisees to establish and maintain a suggested schedule of prices for products and services at your Speed Queen Store and, subject to applicable law, we may designate certain pricing and pricing policies with respect to the services or products offered, provided and sold at your Speed Queen Store, which prices and policies with which you will be required to comply. In addition, we and/or our approved vendors and suppliers may establish, or have established, required maximum prices for products and services at your Speed Queen Store and, if so established, you will be required to comply with those maximum prices. Further, we and/or our approved vendors and suppliers will be entitled to exercise the maximum level of control over resale prices and practices permitted by applicable law and, to the extent that we and/or they exercise our/their right, you will be required to comply with those controls.

We do not impose any other restrictions in the Franchise Agreement or otherwise as to the goods or services that you may offer or sell.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION THE FRANCHISE RELATIONSHIP

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

FRANCHISE AGREEMENT

PROVISION	SECTION IN AGREEMENT	SUMMARY
a. Length of the franchise term	Section 2	Term of Franchise Agreement is 10 years.
b. Renewal or extension of the term	Section 18	At the end of the term of the Franchise Agreement, you have the option of two additional ten (10) year renewal terms, so long as you are in good standing

PROVISION	SECTION IN AGREEMENT	SUMMARY
		at the end of the initial term and at the end of the renewal term. The term of the renewal franchise agreement may need to be later revised to match financing documents for equipment.
c. Requirements for franchisee to renew or extend	Section 18	You must give at least 12 months' notice, repair and update equipment and SPEED QUEEN® franchise premises, not be in breach of any agreement with us or our affiliates, satisfy all monetary obligations, have the right to remain in possession of SPEED QUEEN® franchise premises, pay a renewal fee, execute then-current Franchise Agreement and General Release and comply with current qualifications and training requirements. If you seek to renew your franchise at the expiration of the initial term or any renewal term, you may be required to sign a new Franchise Agreement, which is then-current Franchise Agreement used by us that may contain terms and conditions materially different from those in your previous Franchise Agreement such as, but without limitation, (1) increases in expenditures for marketing and promotions, (2) increases in fees, and (3) implementation of new fees.
d. Termination by franchisee	Not Applicable	You may terminate the Franchise Agreement under any grounds permitted by law.
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	Section 19	Each of your obligations under the Franchise Agreement is a material and essential obligation, the breach of which may result in termination.
g. "Cause" defined – curable defaults	Section 19	Curable defaults include: 30 days after a request to obtain execution of covenants, meet development requirements, transfer without our written consent, to procure and maintain insurance policies, to cure misuse or unauthorized use of Licensed Marks, to cure failure to comply with any requirement of Franchise Agreement, failure to observe standards and specifications, failure to comply with all laws and regulations, failure to comply with all covenants, failure to comply with operating standards, 14 days to pay monetary obligations.

PROVISION	SECTION IN AGREEMENT	SUMMARY
h. “Cause” defined – non-curable defaults	Section 20	Non-curable defaults include: if a franchisee becomes insolvent, makes a general assignment for the benefit of creditors, files a petition or has a petition initiated against him under federal bankruptcy laws, is adjudicated bankrupt, has receiver appointed, proceedings for composition with creditors instituted, final judgment remains unsatisfied or of record for 30 days, is dissolved or execution is levied against business or property, a suit to foreclose a lien or mortgage is initiated and not dismissed within 30 days, sells unauthorized products or services, fails two or more times within 12 months to comply with a material provision of the Agreement, we receive more than 10 valid complaints in any 12-month period regarding the quality of the service provided by the Speed Queen Store and you fail to promptly improve such service to our reasonable satisfaction, you (or any principal) makes a material misrepresentation on application, abandons or loses right to SPEED QUEEN® franchise premises, is convicted of or pleads <i>nolo contendere</i> to felony or any crime we believe will likely have adverse effect on the system (also applies to principals), if any threat or damages to public health or safety is not immediately cured or removed, discloses any confidential information (also applies to principal), breaches any material aspect of covenants, transfers any rights or obligations to a third party without our written consent (also applies to principals), repeatedly commits a material event of default (also applies to principals).
i. Franchisee's obligations on termination/nonrenewal	Section 20	Termination of the Franchise Agreement requires you to cease operating the Speed Queen Store franchise and using the Licensed Marks and System and to completely de-identify the business, cancel all fictitious or assumed names, notify telephone company of termination of rights to use telephone number, pay all amounts due to us or our affiliate, return all manuals (including the Playbook) and software and other proprietary materials, comply with confidentiality requirements and, at our option, sell or assign to us your rights in the Speed Queen Store franchise premises and the equipment fixtures used in the business.

PROVISION	SECTION IN AGREEMENT	SUMMARY
j. Assignment of contract by franchisor	Section 17	No restriction on our right to assign.
k. “Transfer” by franchisee -defined	Section 17	Includes voluntary or involuntary sale, assignment, subdivision, sub-franchising, or other transfer including merger, consolidation issuing additional securities, conversion to partnership or limited partnership, or transfer caused by divorce or death.
l. Franchisor approval of transfer by franchisee	Section 17	We have the right to approve all transfers but will not unreasonably withhold approval.
m. Conditions for franchisor approval of transfer	Section 17	Transferee must meet qualifications, all monetary obligations must be paid, you must not be in default of any provisions of agreement, transferor and its principals must sign general release, transferee must assume all obligations and responsibilities of franchisee and sign then-current Franchise Agreement, upgrade Speed Queen Store to current specifications, satisfactorily complete training, pay transfer fee of \$5,000, transferor must sign covenant not to compete and pay any referral fees or commissions that may be due to any franchise broker, seller or other third party.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 17	We can match any offer for your business, within 30 days after notice.
o. Franchisor's option to purchase franchisee's business	Section 20	In case of termination or nonrenewal, we may be required to purchase assets at market value. Subject to state law
p. Death or disability of franchisee	Section 17	Executor or personal representative must request our consent to assign your interest to approved party within three months and the interest must be transferred within six months .If the deceased or incapacitated person is the Representative we have the right to manage operation of your Speed Queen Store until the transfer is completed. If we exercise this right, we can charge a reasonable management fee for our services.
q. Non-competition covenants during the term of the franchise	Section 21 Franchise Agreement	No involvement in a “Competitive Business” which is defined as “any commercial laundromat which offers and sells products or services now or in the future offered and sold by Speed Queen

PROVISION	SECTION IN AGREEMENT	SUMMARY
		Stores or any business which looks like, copies, imitates, or operates in a manner similar to a Speed Queen Store but does not apply to: (1) the ownership or operation of a Speed Queen Store by or pursuant to written agreements with, or written authorization from, us or our Affiliates; or (2) the ownership of shares of a class of securities that are listed on a stock exchange or traded on the over-the-counter markets and that represent less than one percent of that class of securities.”
r. Non-competition in covenants after the franchise is terminated or expires	Section 21	No involvement in a Competitive Business located within five (5) miles of any Speed Queen Store either existing or under construction at the time of termination for a period of two years.
s. Modification of the agreement	Sections 6 and 23	No modification to Franchise Agreement except in writing and signed by both franchisee and us. Playbook can be modified as long as the modification does not alter your fundamental status and rights. Nothing in the Franchise Agreement or in any related agreement is intended to disclaim the representations we made in the franchise disclosure document.
t. Integration/merger clause	Section 23	Only the written terms of the Franchise Agreement are binding (subject to state law). Nothing in the Franchise Agreement or in any related agreement is intended to disclaim the representations we made in the franchise disclosure document. Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 22 & and 23	Except for actions brought by us for monies owed, injunctive or extraordinary relief, or actions involving real estate, all disputes must be mediated at our then-current headquarters. (Subject to state law).
v. Choice of forum	Section 23	Subject to state law, all claims brought by you must be filed in the jurisdiction where we have our principal place of business, which is currently Ripon, Wisconsin. We may file suit in the federal or state court located in the jurisdiction where our principal offices are located at the time of suit, in the jurisdiction where you reside or do business,

PROVISION	SECTION IN AGREEMENT	SUMMARY
		where the Speed Queen Store is or was located, or where the claim arose.
w. Choice of law	Section 23	Subject to state law, the law of the state in which we have our principal place of business (currently Wisconsin).

AREA DEVELOPMENT AGREEMENT

PROVISION	SECTION IN AGREEMENT	SUMMARY
a. Length of the franchise term	Section 3	Term in Area Development Agreement ends on last day of Development Period in Development Schedule.
b. Renewal or extension of the term	Not Applicable	Not Applicable
c. Requirements for franchisee to renew or extend	Not Applicable	Not Applicable
d. Termination by franchisee	Not Applicable	You may terminate the Area Development Agreement under any grounds permitted by law.
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	Section 15	We may terminate Area Development Agreement for failure to develop Speed Queen Stores. No default under the Area Development Agreement shall cause a default under a Franchise Agreement unless there is an independent default under the applicable Franchise Agreement.
g. "Cause" defined – curable defaults	Section 15	Curable defaults include: meet development requirements, designate qualified Representative, failure to comply with all terms of this Agreement and any executed Franchise Agreement, failure to correct a deficiency of a health, sanitation, or safety issue after notification, misuse of unauthorized use of any Licensed Marks, 14 days after notice to pay monetary obligations.

PROVISION	SECTION IN AGREEMENT	SUMMARY
h. “Cause” defined – non-curable defaults	Section 15	Non-curable defaults include: if a developer becomes insolvent, makes a general assignment for the benefit of creditors, files a petition or has a petition initiated against him under federal bankruptcy laws, is adjudicated bankrupt, has receiver appointed, proceedings for composition with creditors instituted, final judgment remains unsatisfied or of record for 30 days, is dissolved or execution is levied against business or property, a suit to foreclose a lien or mortgage is initiated and not dismissed within 30 days, sells unauthorized products or services, fails two or more times within 12 months to comply with a material provision of the Agreement, you (or any principal) makes a material misrepresentation on application, abandons or loses right to SPEED QUEEN® franchise premises, is convicted of or pleads <i>nolo contendere</i> to felony or any crime we believe will likely have adverse effect on the system (also applies to principals), if any threat or damages to public health or safety is not immediately cured or removed, discloses any confidential information (also applies to principal), breaches any material aspect of covenants, transfers any rights or obligations to a third party without our written consent (also applies to principals), repeatedly commits a material event of default (also applies to principals).
i. Franchisee's obligations on termination/nonrenewal	Section 16	Termination of the Area Development Agreement will end your rights to open Speed Queen Stores. You will also be required to pay all amounts owed to us and our affiliates as a result of the termination/nonrenewal.
j. Assignment of contract by franchisor	Section 17	No restriction on our right to assign.
k. “Transfer” by franchisee -defined	Section 17	Includes voluntary or involuntary sale, assignment, subdivision, sub-franchising, or other transfer including merger, consolidation issuing additional securities, conversion to partnership or limited partnership, or transfer caused by divorce or death.
l. Franchisor approval of transfer by franchisee	Section 17	We have the right to approve all transfers but will not unreasonably withhold approval.

PROVISION	SECTION IN AGREEMENT	SUMMARY
m. Conditions for franchisor approval of transfer	Section 17	Conditions include: transferee meeting qualifications, all monetary obligations must be paid, you must not be in default of any provisions of agreement, transferor and its principals must sign general release, transferee must assume all obligations and responsibilities of the developer and sign our then-current Development Agreement, satisfactorily complete training, pay transfer fee of \$5,000, transferor must sign covenant not to compete and pay any referral fees or commissions that may be due to any franchise broker, seller or other third party.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 17	We can match any offer for your business, within 30 days after notice.
o. Franchisor's option to purchase franchisee's business	Not Applicable	Not Applicable
p. Death or disability of franchisee	Section 17	Upon death or permanent disability of developer, a competent manager must be appointed within a reasonable time. The interest must be transferred to a third party within 12 months after death or after permanent disability.
q. Non-competition covenants during the term of the franchise	Section 11	No involvement in a Competitive Business.
r. Non-competition in covenants after the franchise is terminated or expires	Section 11	For a period of two years following termination or expiration, no involvement in a Competitive Business located within the Development Area or a five mile radius of the location of any existing Speed Queen Store or any Speed Queen Store under construction at the time of the transfer, termination or expiration.
s. Modification of the agreement	Section 23	No modification to Area Development Agreement except in writing and signed by both developer and us. Nothing in the Area Development Agreement or in any related agreement is intended to disclaim the representations we made in the franchise disclosure document.

PROVISION	SECTION IN AGREEMENT	SUMMARY
t. Integration/merger clause	Section 23	Only the terms of the Area Development Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the disclosure document and Area Development Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Sections 22 & and 23	Except for actions brought by us for monies owed, injunctive or extraordinary relief, or actions involving real estate, all disputes must be mediated at our then-current headquarters. (Subject to state law).
v. Choice of forum	Section 23	Subject to state law, all claims brought by you must be filed in the jurisdiction where we have our principal place of business, which is currently Ripon, Wisconsin. We may file suit in the federal or state court located in the jurisdiction where our principal offices are located at the time of suit, in the jurisdiction where you reside or do business, where your business is or was located, or where the claim arose.
w. Choice of law	Section 23	Subject to state law, the law of the state in which we have our principal place of business (currently Wisconsin).

ITEM 18 PUBLIC FIGURES

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

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the Disclosure Document. Financial performance information that differs from that included in Item 19 may be given only if (1) a franchisor provides the actual records of an existing outlet that 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.

Historic Revenue and Selected Expenses for Company Owned Stores

The tables below show average and median historical revenue and selected costs for 14 company owned stores, divided into three tiers based upon a range of EBITDA. In each tier, the annual revenue and

select expenses are for the period January 1, 2022 to December 31, 2022. The company owned stores were open the entire period covered; one company owned store was excluded because it opened in 2022.

Notes				
	Revenue	Top Tier*	Mid Tier*	Low Tier*
1a	Washer Revenue	\$601,912,570,195	\$422,967,440,748	\$340,923,331,616
1a	Washer Cycle Modifier	\$66,879,63,355	\$46,996,48,972	\$37,880,36,846
1b	Dryer Revenue	\$237,293,246,901	\$180,590,847	\$138,041,140,851
1c	Wash, Dry, Fold	\$103,588,119,568	\$104,713,62,814	\$69,603,57,514
1d	Retail	\$57,631,46,768	\$30,997,37,032	\$23,506,21,262
1e	Float	\$11,274,21,171	\$9,987,6,414	\$19,456,13,667
	Average Revenue	\$1,078,576,067,960	\$796,250,776,827	\$629,409,601,756
	Median Revenue By Tier	\$1,086,237,956,017	\$801,791,780,621	\$673,644,744,125
	# and % Exceeded Average	2 stores, 6740%	32 stores, 5040%	32 stores, 6050%
	# of units in the Tier	35	65	54
	High Revenue	\$1,200,251,259,089	\$944,179,818,534	\$717,035,688,215
	Low Revenue	\$949,241,907,856	\$660,541,744,125	\$506,204,482,030

*EBITDA by tier: Top Tier EBITDA - \$354,792,297,950 to \$407,860,602,355; Mid-Tier EBITDA- \$191,759,189,731 to \$328,643,301,205; and Low Tier EBITDA- \$15,340,33,244 to \$191,612,193,455.

	Expenses	Top Tier		Mid Tier		Low Tier	
2	Wages & Payroll	\$206,989,215,439	1920.2%	\$160,217,162,146	20.19%	\$161,468,156,087	25.79%
3a	Gas	\$23,494,25,182	2.24%	\$35,533,23,249	4.53%	\$25,709,20,855	4.13%
3b	Water	\$122,000,82,453	11.37%	\$24,522,22,480	3.12%	\$42,927,39,418	6.86%
3c	Electricity	\$23,913,25,808	2.24%	\$22,448,24,160	2.83%	\$22,933,24,741	3.64%
4	Rent & CAM	\$93,139,105,585	8.69%	\$104,039,110,674	13.11%	\$99,510,97,086	15.81%
5	Retail Cost of Goods Sold	\$30,835,29,053	2.97%	\$20,529,22,340	2.69%	\$15,655,16,047	2.57%
6	Marketing (Adjusted per Note 6)	\$10,365,270	1.0%	\$7,687,482	1.0%	\$6,011,5,753	1.0%
7	Royalty (Adjusted per Note 7)	\$41,461,079	3.8%	\$30,749,29,926	3.9%	\$24,044,23,013	3.8%

8	Technology Fee (Adjusted per Note 8)	\$10, 365 <u>270</u>	1.0%	\$7, 687 <u>482</u>	1.0%	\$6, 041 <u>5,753</u>	1.0%
9	Maintenance	\$ 52,978 <u>49,775</u>	4. 97 <u>%</u>	\$ 52,475 <u>46,865</u>	6. 60 <u>%</u>	\$ 32,618 <u>33,770</u>	5. 26 <u>%</u>
	Bank & Merchant Fees	\$ 26,528 <u>24,741</u>	2. 53 <u>%</u>	\$ 21,952 <u>19,666</u>	2. 85 <u>%</u>	\$ 17,862 <u>13,937</u>	2. 83 <u>%</u>
10	Other Expenses	\$ 56,653 <u>43,599</u>	5.34 <u>1</u> %	\$ 48,695 <u>42,418</u>	6.15 <u>5</u> %	\$ 49,305 <u>39,405</u>	7.86 <u>5</u> %
	Total Expenses	\$ 698,721 <u>663,252</u>		\$ 536,532 <u>518,886</u>		\$ 504,053 <u>475,865</u>	
	Average EBITDA By Tier	\$ 379,855 <u>425,824</u>	35.23 <u>9</u> %	\$ 259,719 <u>257,941</u>	32.63 <u>3</u> %	\$ 125,355 <u>891</u>	1920 <u>.9</u> %
	Median income by tier	\$ 376,914 <u>412,720</u>		\$ 259,896 <u>275,534</u>		\$ 141,627 <u>138,433</u>	
	# and % Exceeded Average Income	12 stores, 34 <u>40</u> %		3 stores, 50 <u>60</u> %		32 stores, 60 <u>50</u> %	
	# of units in the Tier	35		65		54	
	High Income	\$ 500,999 <u>602,355</u>		\$ 328,643 <u>301,205</u>		\$ 191,612 <u>193,455</u>	
	Low Income	\$ 354,792 <u>297,950</u>		\$ 191,759 <u>189,731</u>		\$ 15,340 <u>33,244</u>	

Washer and Dryer Performance by Tier	Top Tier	Mid Tier	Low Tier
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11	Average Washer turns per day	6.25 <u>3</u>	5.04 <u>9</u>	4.3 <u>8</u>
	Median Washer Turns per day	6.35 <u>1</u>	4.95 <u>0</u>	4.03 <u>7</u>
	Stores above average	2 stores, 67 <u>40</u> %	3 stores, 56 <u>0</u> %	2 stores, 40 <u>1</u> store, 25 <u>0</u> %
	Max Washer Turns per day	6.94	5.83	5.54 <u>3</u>
	Min Washer Turns per day	5.4 <u>5</u>	4.54	3.75

11	Average Washer price per turn	\$6.11 <u>85</u>	\$5.61 <u>6.02</u>	\$5.10 <u>47</u>
	median Washer price per turn	\$6.08 <u>95</u>	\$5.74 <u>6.13</u>	\$5.13 <u>47</u>
	Stores above average	13 stores, 34 <u>60</u> %	43 stores, 67 <u>60</u> %	32 stores, 65 <u>0</u> %
	Max Washer price per turn	\$6.66 <u>7.77</u>	\$6.89 <u>82</u>	\$6.04 <u>29</u>
	Min Washer price per turn	\$5.60 <u>6.20</u>	\$4.23 <u>5.03</u>	\$4.37 <u>63</u>

11	Average Dryer turns per day	5.72	4.97	4.13 <u>6</u>
	Median dryer Turns per day	65 <u>3</u>	4.96	4.03 <u>7</u>
	Stores above average	12 stores, 34 <u>40</u> %	32 stores, 54 <u>0</u> %	13 stores, 20 <u>75</u> %
	Max dryer Turns per day	10.07 <u>7</u>	5.85	5.03 <u>8</u>
	Min dryer Turns per day	5.54 <u>8</u>	4.21	3.64

11	Average Dryer price per turn	\$1.94 <u>2.50</u>	\$2.13 <u>18</u>	\$1.84 <u>2.14</u>
	Stores above average	\$1.97 <u>2.51</u>	\$2.08 <u>28</u>	\$1.84 <u>2.18</u>
	median dryer price per turn	23 stores, 67 <u>60</u> %	3 stores, 5 60 <u>0</u> %	2 stores, 4 50 <u>0</u> %
	Max dryer price per turn	\$2.18 <u>62</u>	\$2.93 <u>52</u>	\$2.13 <u>38</u>
	Min dryer price per turn	\$1.66 <u>2.42</u>	\$1.59 <u>63</u>	\$1.57 <u>81</u>

Notes	
1a	<u>For this disclosure, we separated our 14 company owned stores into three tiers based on their total annual sales.</u> Total washer revenue for 2022 was also split out to show the average of 10% cycle modifier revenue achieved.
1b	As with washer turns, we used the revenue generated by dryers of our 14 company owned stores for 202 <u>23</u> .
1c	Our Top tier company owned stores delivered between 6.25 <u>5.7</u> % and 11.41 <u>7.7</u> % of their total revenue during 202 <u>23</u> from this service, with the average of 9 <u>11.6</u> % used for this disclosure. 2 stores (66.74 <u>0</u> %) were above the average and the median was 11.39 <u>8</u> %. Our Mid tier company owned stores delivered between 7.94 <u>6</u> % and 18.81 <u>11.0</u> % of their total revenue during 202 <u>23</u> from this service, with the average of 12.78 <u>8.1</u> % used for this disclosure. 23 stores (33.36 <u>0</u> %) were above the average and the median was 11.48 <u>3</u> %. Our Low tier company owned stores delivered between 65 <u>5.7</u> % and 20.41 <u>7.5</u> % of their total revenue during 202 <u>23</u> from this service,

	with the average of 10.9 <u>9.2</u> % used for this disclosure. 2 stores (40 <u>1 store (20</u> %) were above the average and the median was 8.2 <u>6.7</u> %.
1d	Our Top tier company owned stores delivered between 4.2 <u>7</u> % and 6.6 <u>8</u> % of their total revenue during 202 2 <u>3</u> from this service, with the average of 5 <u>4.3</u> % used for this disclosure. 1 store (33.3 <u>5 stores (100.0</u> %) were above the average and the median was 5.1 <u>4.4</u> %. Our Mid tier company owned stores delivered between 2.3 <u>8</u> % and 5.6 <u>8</u> % of their total revenue during 202 2 <u>3</u> from this service, with the average of 3.7 <u>4.8</u> % used for this disclosure. 25 stores (33.3 <u>100.0</u> %) were above the average and the median was 3.5 <u>4.7</u> %. Our Low tier company owned stores delivered between 3.3 <u>2</u> % and 5.1 <u>4.4</u> % of their total revenue during 202 2 <u>3</u> from this service, with the average of 4.1 <u>3.6</u> % used for this disclosure. 24 stores (40 <u>80</u> %) were above the average and the median was <u>3.4</u> %.
1d <u>1e</u>	During 202 2 <u>3</u> our top tier company owned stores averaged 2.4 <u>2</u> % of their total revenue from float revenue recognized. <u>This percentage will vary based on which state your franchise is in and which accounting practices your business adopts.</u>
2	<u>Our estimate for</u> Wages & Payroll expense assumes 205 hours per week is <u>will be</u> required to operate a store 24 hours a day, 7 days a week <u>based on experience from our company owned stores.</u>
3	Utilities are a significant cost in a laundromat <u>but vary significantly from store to store based on the prevailing unit costs in each market.</u> We renegotiated fixed price contracts for all of our stores in markets where utilities are deregulated, and this created a significant saving on gas and electric charges. <u>For this reason, the figures included for utilities are based on company owned store performance for 2023. As part of your franchisee package we will give you access to our utilities broker, but you are free to shop for the best prices where possible and we would recommend you do this given the proportion of expenses Utilities contributes.</u>
3a	In our Top tier company owned stores, gas costs as a percentage of sales vary from 2% to 2.4% of total sales with an average of 2.2%. In our Mid tier company owned stores, gas costs as a percentage of sales vary from 3.5% to 5.4% of total sales with an average of 4.4%. In our Low tier company owned stores, gas costs as a percentage of sales vary from 2.5% to 6.1% of total sales with an average of 4.3%. – The average unit price of \$0.77 per CCF (Centum Cubic Foot).
3b	In our Top tier company owned stores, water costs as a percentage of sales vary from 9.2% to 14.6% of total sales with an average of 11.1%. In our Mid tier company owned stores, water costs as a percentage of sales vary from 0.4% to 6.3% of total sales with an average of 3.8%. In our Low tier company owned stores, water costs as a percentage of sales vary from 0.7% to 10% of total sales with an average of 6%. The average for our company owned stores with a unit price of \$.01 6 <u>7</u> per gallon.
3c	In our Top tier company owned stores, electricity costs as a percentage of sales vary from 1.2% to 3.1% of total sales with an average of 2.2%. In our Mid tier company owned stores, electricity costs as a percentage of sales vary from 2% to 4.3% of total sales with an average of 3.1%. In our Low tier company owned stores, electricity costs as a percentage of sales vary from 2.5% to 5.2% of total sales with an average of 3.4%. The average for our company owned stores based on a unit price of \$. 12 <u>13</u> per KWH.
4	Our rent expense line item includes besides rent, common area maintenance, insurance, and taxes (assuming triple net leasing). <u>If you secure a larger or smaller space, or pay more or less rent per square foot, this expense will vary significantly.</u>

5	We source retail items from local and national based laundry product distributors and wholesalers. Based on the assumptions stated above in Note 1D for the total revenue from retail for over the counter sales of detergents, softeners, dryer sheets, laundry bags and other sundry items, we have assumed the cost to a franchisee to purchase these items will be approximately 52% of the selling price. Therefore, we have assumed that the cost of sales for these items will be approximately 52% of the Retail revenue generated (see Note 1D above). Selling prices for these items will vary by location, but the assumption for costs of sales as a percentage of retail revenue is consistent with the overall results for our company owned stores.
6	We have imputed local marketing spending for these units. We require you to spend up to 4% of your revenue on local marketing. The required spending on local marketing is reduced by the amount of contributions you make to our marketing fund (see Item 11 above). Currently, we require you to spend a total 1% of revenue on marketing including the marketing fund contribution, which <u>and this is what</u> has been included above <u>in this projection</u> . This amount could increase if we increase the required marketing spend either locally or nationally.
7	We have imputed royalty fees for these units. Royalty fees are 4% of gross revenue
8	We have imputed technology fees for these units. Technology fees are 1% of gross revenue
9	Maintenance cost is based on average spend in our top tier company owned stores for 202 2 <u>3</u>
10	Other expenses include insurance, banking costs, cash collection fees, materials for Wash Dry Fold service, personal property taxes, cleaning materials and other small costs. <u>Many of these costs can vary significantly depending on the location of your Laundromat and the time you spend looking for the best possible costs on these items.</u>
11	The laundromat market breaks down sales by the number of times each machine is used in a day and the price per turn. This variance is driven both by the number of customers (machine usage) and the number of machines in each laundromat. <u>We will work with you on your store design to help maximize your turns per day while not limiting your sales during peak hours of the day, but you are permitted to establish your pricing based on your local market conditions.</u>
12	We did not include any expense for interest, taxes, depreciation or amortization. <u>We anticipate every franchisee will fund his or her investment differently. We cannot predict how you would account for these items.</u>

Historical Gross Sales for Franchised Stores

The table below shows Gross Sales for the period January 1, 202~~2~~3 to December 21, 202~~2~~3 for the ~~56~~ franchised Speed Queen businesses that were open that entire period. The ~~43~~ franchised Speed Queen businesses that opened in 202~~2~~3 are not included in this table. In the laundromat industry, stores open from 18-24 months are considered stabilized for revenue generation purposes.

Average Gross Sales <u>Revenue</u>	\$615,222 <u>\$591,589</u>
Median Gross Sales <u>Revenue By Tier</u>	\$494,990 <u>466,263</u>
# and % Exceeded Average	21 stores, 40 <u>17</u> %
# of units in the group <u>Tier</u>	56
High Revenue	\$1,339,814 <u>\$547,231</u>
Low Revenue	\$199,359 <u>139,560</u>

As used in the table above, “Gross Sales” means all revenue from the sale of all services and products and all other income of every kind and nature (including stored value gift cards and gift certificates when redeemed but not when purchased, on-premises sales, sales of pick-up and delivery services, outsourced services sales or commercial account sales, and any other type of sale) related to the Franchised Business, whether for cash or credit and regardless of collection in the case of credit.) related to your Speed Queen Store, whether for cash or credit and regardless of collection in the case of credit.

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

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

Other than the preceding financial performance representation, SPEED QUEEN Laundry Franchise LLC does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting John Shields, 221 Shepard Street, Ripon, Wisconsin 54971; telephone number: 920-399-0999, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For years 20201 to 20223

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020 <u>1</u>	0 <u>2</u>	2 <u>5</u>	+ 2 <u>3</u>
	2021 <u>2</u>	2 <u>5</u>	5 <u>9</u>	+ 3 <u>4</u>
	2022 <u>3</u>	5 <u>9</u>	9 <u>12</u>	+ 4 <u>3</u>
Company-owned	2020 <u>1</u>	14	14	0
	2021 <u>2</u>	14	14 <u>15</u>	0 + <u>1</u>
	2022 <u>3</u>	14 <u>15</u>	15 <u>16</u>	+1
Total Outlets	2020 <u>1</u>	14 <u>16</u>	16 <u>19</u>	+ 2 <u>3</u>
	2021 <u>2</u>	16 <u>19</u>	19 <u>24</u>	+ 3 <u>5</u>
	2022 <u>3</u>	19 <u>24</u>	24 <u>28</u>	+ 5 <u>4</u>

Table No. 2
Transfers of Outlets from Franchisees to

New Owners (other than Franchisor)
For years 20201 to 20223

State	Year	Number of Transfers
Total Outlets	2020 <u>1</u>	0
	2021 <u>2</u>	0
	2022 <u>3</u>	0

Table No. 3
Status of Franchised Outlets
For years 20201 to 20223

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
CA	2020 <u>1</u>	0	0	0	0	0	0	0
	2021 <u>2</u>	0	0 <u>1</u>	0	0	0	0	0 <u>1</u>
	2022 <u>3</u>	0 <u>1</u>	1 <u>0</u>	0	0	0	0	1
IL	2020 <u>1</u>	0	0	0	0	0	0	0
	2021 <u>2</u>	0	0	0	0	0	0	0
	2022 <u>3</u>	0	1	0	0	0	0	1
GA	2021	0	0	0	0	0	0	0
	2022	1 <u>0</u>	0	0	0	0	0	1 <u>0</u>
UT	2020 <u>3</u>	0	1	0	0	0	0	1
IL	2021	1 <u>0</u>	0 <u>1</u>	0	0	0	0	1
	2022	1	0	0	0	0	0	1*
SC	2020 <u>3</u>	0 <u>1</u>	0 <u>1</u>	0	0	0	0	0 <u>2</u>
LA	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
SC	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
TX	2020 <u>3</u>	0 <u>1</u>	1 <u>0</u>	0	0	0	0	1
TX	2021	1	2	0	0	0	0	3
	2022	3	2	0	0	0	0	5
Total	2020 <u>3</u>	0 <u>5</u>	2	0 <u>1</u>	0	0 <u>1</u>	0	2 <u>5</u>
UT	2021	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
	<u>2022</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1*</u>
	<u>2023</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Total</u>	2021	2	3	0	0	0	0	5
	2022	5	4	0	0	0	0	9
	<u>2023</u>	<u>9</u>	<u>6</u>	<u>2</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>12</u>

~~*Will stop operating as a Speed Queen store Spring 2023.~~

Table No. 4
Status of Company-Owned Outlets
For years ~~2020~~1 to ~~2022~~3

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
GA	2020 <u>1</u>	5	0	0	0	0	5
	2021 <u>2</u>	5	0	0	0	0	5
	2022 <u>3</u>	5	0	0	0	0	5
TX	2020 <u>1</u>	9	0	0	0	0	9
	2021 <u>2</u>	9	0 <u>1</u>	0	0	0	9 <u>10</u>
	2022 <u>3</u>	9 <u>10</u>	10 <u>1</u>	0 <u>1</u>	0	0	10 <u>11</u>
Total	2020 <u>1</u>	14	0	0	0	0	14
	2021 <u>2</u>	14	0 <u>1</u>	0	0	0	14 <u>15</u>
	2022 <u>3</u>	14 <u>15</u>	10 <u>1</u>	0 <u>1</u>	0	0	15 <u>16</u>

Table No. 5
Projected Openings
As of December 31, ~~2022~~
3
(For current fiscal year)

State	Franchise Agreements Signed but Outlets Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
AZ	1	1	0
CA	20	12	0
CO	1	0	0
FL	1	2	0
GA	1	2	0
IL	1	21	0
LA	0	1	0

State	Franchise Agreements Signed but Outlets Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
MI MD	0 1	1	0
NC TX	0	1 2	0
NM	1	0	0
NV	0	1	0
SC	1	2	0
TX	4	5	0
WI	0	1	0
Total	13 2	20 7	0

Our lists of franchised location and franchise agreements signed but units not opened as of our last fiscal year end are attached in Exhibit H.

We had no franchisees who had an outlet terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recent completed fiscal year or who has not communicated with the franchisor within 10 weeks of the disclosure document issuance date. Our current and former franchises are listed in Exhibit H.

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

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

There are no trademark-specific franchisee organizations associated with the franchise system being offered in the Franchise Disclosure Document.

ITEM 21 FINANCIAL STATEMENTS

Exhibit A contains our financial statements dated as of December 31, ~~2020, December 31,~~ 2021, ~~December 31, 2022,~~ and December 31, 202~~3~~. Our fiscal year ends on December 31st of each year.

ITEM 22 CONTRACTS

The following agreements are attached to this disclosure document:

Exhibit B	Area Development Agreement
Exhibit C	Franchise Agreement
Exhibit G	General Release
Exhibit J	Promissory Note, Personal Guaranty, and Security Agreement

ITEM 23 RECEIPTS

Exhibit K contains detachable documents acknowledging your receipt of this disclosure document with all exhibits attached.

EXHIBIT A
FINANCIAL STATEMENTS

SPEED QUEEN LAUNDRY FRANCHISE LLC

Annual Report for the Year ended December 31, 2023

Speed Queen Laundry Franchise LLC

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Report of Independent Auditors

Member and Management
Speed Queen Laundry Franchise LLC

Opinion

We have audited the financial statements of Speed Queen Laundry Franchise LLC (the Company), which comprise the balance sheets as of December 31, 2023, 2022, and 2021, and the related statements of comprehensive loss, changes in member's deficit, and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023, 2022, and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our 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 of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

A handwritten signature in black ink that reads "Ernst & Young LLP". The signature is written in a cursive, flowing style.

April 22, 2024

Speed Queen Laundry Franchise LLC

Balance Sheets

	December 31, 2023	December 31, 2022	December 31, 2021
Assets			
Current assets:			
Cash	\$ —	\$ 50,721	\$ 54,476
Accounts receivable	26,900	29,391	9,286
Prepaid expenses	—	250	—
Total current assets	<u>26,900</u>	<u>80,362</u>	<u>63,762</u>
Total assets	<u><u>\$ 26,900</u></u>	<u><u>\$ 80,362</u></u>	<u><u>\$ 63,762</u></u>
Liabilities and member's deficit			
Liabilities:			
Current liabilities:			
Accounts payable	\$ 13,384	\$ 40,448	\$ 5,275
Other accrued expenses	57,723	49,985	30,562
Deferred franchise revenue	24,500	24,833	129,000
Payable to affiliates	2,075,501	1,810,044	1,641,072
Total current liabilities	<u>2,171,108</u>	<u>1,925,310</u>	<u>1,805,909</u>
Deferred franchise revenue, long term	383,042	460,792	75,000
Total liabilities	<u>2,554,150</u>	<u>2,386,102</u>	<u>1,880,909</u>
Member's deficit			
Member's capital	100,000	100,000	100,000
Retained deficit	<u>(2,627,250)</u>	<u>(2,405,740)</u>	<u>(1,917,147)</u>
Total equity	<u>(2,527,250)</u>	<u>(2,305,740)</u>	<u>(1,817,147)</u>
Total liabilities and equity	<u><u>\$ 26,900</u></u>	<u><u>\$ 80,362</u></u>	<u><u>\$ 63,762</u></u>

See accompanying notes.

Speed Queen Laundry Franchise LLC

Statements of Comprehensive Loss

	Year Ended December 31, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021
Income			
Royalty income	\$ 270,045	\$ 179,971	\$ 57,439
Franchise fee revenue	48,083	13,375	5,000
Total income	<u>318,128</u>	<u>193,346</u>	<u>62,439</u>
Expenses			
Advertising and promotions	384,136	345,082	254,731
Distributor commissions	10,000	—	9,483
Professional services – accounting	38,996	37,104	30,000
Professional services – legal	43,256	65,238	79,232
Professional services – consulting	—	134,243	—
Licenses and fees	16,919	28,341	40,379
Bank fees	2,816	6,382	6,392
Other direct store expense – miscellaneous	43,515	65,549	11,661
Total expenses	<u>539,638</u>	<u>681,939</u>	<u>431,878</u>
Net loss	<u>\$ (221,510)</u>	<u>\$ (488,593)</u>	<u>\$ (369,439)</u>

See accompanying notes.

Speed Queen Laundry Franchise LLC

Statements of Changes in Member's Deficit

	Member's Capital	Retained Deficit	Total Member's Deficit
Balance at December 31, 2020	\$ 100,000	\$ (1,547,708)	\$ (1,447,708)
Net loss	–	(369,439)	(369,439)
Balance at December 31, 2021	<u>\$ 100,000</u>	<u>\$ (1,917,147)</u>	<u>\$ (1,817,147)</u>
Net loss	–	(488,593)	(488,593)
Balance at December 31, 2022	<u>\$ 100,000</u>	<u>\$ (2,405,740)</u>	<u>\$ (2,305,740)</u>
Net loss	–	(221,510)	(221,510)
Balance at December 31, 2023	<u>\$ 100,000</u>	<u>\$ (2,627,250)</u>	<u>\$ (2,527,250)</u>

See accompanying notes.

Speed Queen Laundry Franchise LLC

Statements of Cash Flows

	Year Ended December 31, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021
Cash flows from operating activities			
Net loss	\$ (221,510)	\$ (488,593)	\$ (369,439)
Adjustments to reconcile net loss to net cash used in operating activities:			
Accounts receivable	2,491	(20,105)	(8,311)
Prepaid expenses	250	(250)	1,022
Accounts payable	(27,064)	35,173	(15,425)
Other accrued expenses	7,738	19,423	2,045
Non-cash deferred revenue amortization	(48,083)	(13,375)	(5,000)
Cash received: deferred revenue for new contracts	120,000	325,000	100,000
Cash returned: terminated contracts	(150,000)	(30,000)	(20,000)
Total adjustments to reconcile net loss to net cash used by operating activities	(94,668)	315,866	54,331
Net cash used in operating activities	(316,178)	(172,727)	(315,108)
Cash flows from financing activities			
Proceeds from advances from affiliates	265,457	168,972	356,225
Net cash provided by financing activities	265,457	168,972	356,225
Net cash (decrease) increase	(50,721)	(3,755)	41,117
Cash at beginning of year	50,721	54,476	13,359
Cash at end of year	\$ —	\$ 50,721	\$ 54,476

See accompanying notes.

Speed Queen Laundry Franchise LLC

Notes to Financial Statements

December 31, 2023

1. Organization and Operations

Speed Queen Laundry Franchise LLC (the Company) is a Delaware limited liability company, incorporated on April 22, 2019 to serve as the Speed Queen Laundry brand franchise entity. Speed Queen Laundry LLC, a Delaware limited liability company, is the Company's sole member (the Member) and holds 100% of the equity of the Company.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Use of Estimates

The preparation of the financial statements in conformity of U.S GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These estimates are based on management's knowledge of current events, and may differ from actual results.

Cash and Cash Equivalents

All highly liquid instruments with an initial maturity of three months or less at date of purchase are considered cash equivalents. During 2023, the Company entered into a cash pooling arrangement with Alliance Laundry Systems LLC, its parent company (the Parent), therefore the Company has no cash or cash equivalents at year end.

Member's capital

The Company has created a Member's capital account, the balance of which is \$100,000 as of December 31, 2023, 2022 and 2021. The account includes the cash contribution from the Member from the date of incorporation to the balance sheet date.

Advertising Expense

The Company expenses advertising costs as incurred. Advertising expenses totaled \$384,136, \$345,082, and \$254,731 for the years ended December 2023, 2022 and 2021, respectively.

Speed Queen Laundry Franchise LLC
Notes to Financial Statements (continued)

Indirect Expenses

Certain of the Company's indirect payroll expenses are recorded by Speed Queen Laundry LLC and are not allocated to the Company.

Income Taxes

The Company previously adopted ASU 2019-12, Simplifying the Accounting for Income Taxes. This guidance clarified that an entity is not required to allocate the consolidated amount of current and deferred tax expense to the separate financial statements of legal entities that are not subject to tax. As a result, the Company has not recorded any taxes for Speed Queen Laundry Franchise LLC.

Going Concern

The accompanying financial statements have been prepared based on management's evaluation of events and conditions assuming that the Company will continue as a going concern. A support letter has also been obtained from the Parent as part of this going concern conclusion.

New Accounting Standards Adopted

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-13, Financial Instruments - Credit Losses (Topic 326). The amendment replaces the incurred loss impairment methodology, with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information for credit loss estimates. This guidance was effective for the Company beginning on January 1, 2023 and did not have a material impact on the Company's Consolidated Financial Statements.

3. Related-Party Transactions

The company's affiliates provide the funding for its operations. The Company has a payable to its affiliates of \$2,075,501, \$1,810,044, and \$1,641,072 as of December 31, 2023, 2022 and 2021, respectively. The Parent also provides use of office space, technology and personnel, which is not accounted for in the financial statements.

Speed Queen Laundry Franchise LLC

Notes to Financial Statements (continued)

4. Revenue

Contracts with Customers

The Company records a deposit liability when it receives deposits from potential franchisees. Upon signing the Franchise Agreement with a franchisee for sites that will be opened in the future, the deposit is recorded as deferred franchise revenue in the balance sheet. When the franchise location opens the deferred franchise revenue will be recognized as revenue over the 10-year life of the agreement beginning the first month the franchise is opened.

	Year Ended December 31, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021
Beginning Balance	\$ 485,625	\$ 204,000	\$ 129,000
Non-cash deferred revenue amortization	(48,083)	(13,375)	(5,000)
Cash received: deferred revenue for new contracts	120,000	325,000	100,000
Cash returned: terminated contracts	(150,000)	(30,000)	(20,000)
Ending Balance	<u>\$ 407,542</u>	<u>\$ 485,625</u>	<u>\$ 204,000</u>

Performance Obligations

Franchise revenues consist primarily of royalties, national advertising fund (NAF) contributions, technology package fees, initial franchise fees and upfront fees from area development agreements (ADAs).

The Company's primary performance obligation under the franchise license is granting certain rights to use the Company's intellectual property, and all other services the Company provides under the ADA and franchise agreement.

Royalties, including franchisee contributions to NAF and technology package fees, are calculated as a percentage of monthly gross sales and recognized as revenue as franchise sales occur. Under the Company's franchise agreements, advertising contributions paid by franchisees promote the overall brand and are not considered a distinct performance obligation. The technology package fees similarly grant the franchisee access to the Speed Queen branded integrated reporting system that is not deemed a distinct performance obligation, given the technology package is highly dependent on the franchise license.

Under ASC 606, *Revenue From Contracts With Customers*, initial and renewal franchise fees, as well as transfer fees, are recognized as revenue on a straight-line basis over the term of the respective franchise agreement. The ADAs convey the right to open a certain number of franchise

Speed Queen Laundry Franchise LLC

Notes to Financial Statements (continued)

locations over a specified period of time. The performance obligation under ADAs generally consists of an obligation to grant geographic exclusive area development rights. These development rights are not distinct from franchise agreements, so upfront fees paid by franchisees for exclusive development rights are deferred and apportioned to each franchise agreement signed by the franchisee. The pro-rata amount apportioned to each franchise agreement is accounted for identically to the initial franchise fee.

5. Subsequent Events

The Company has evaluated subsequent events through April 22, 2024, which is the date the financial statements were issued.

EXHIBIT B
AREA DEVELOPMENT AGREEMENT

SPEED QUEEN

AREA DEVELOPMENT AGREEMENT

DEVELOPER: _____

DATE OF AGREEMENT: _____

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Attachments

Guaranty and Assumption of Obligations

Exhibit A – Data Sheet

Exhibit B – Confidentiality Agreement and Ancillary Covenants Not to Compete

AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT (this “Agreement”) is made effective as of _____, 20__ (“Effective Date”), by and between **SPEED QUEEN LAUNDRY FRANCHISE LLC**, a Delaware limited liability company with its principal office at 221 Shepard Street, Ripon, Wisconsin 54971 (“SQLF” or “Franchisor”) and _____, a _____ with its principal office at _____ (“Developer”).

WITNESSETH:

WHEREAS, as the result of expenditure, time, skill, effort and expense, SQLF and its Affiliates have created a distinct proprietary System for the establishment, development and operation of high end commercial laundromats under the name SPEED QUEEN® (each a “Speed Queen Store”);

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

WHEREAS, pursuant to a License Agreement with Alliance Laundry Systems, LLC, SQLF has the right to use, and to grant others the right and license to use, the System and the Licensed Marks in connection with the operation of a franchised Speed Queen Store;

WHEREAS, Developer desires the right to develop, own and operate multiple franchised Speed Queen Stores (each a “Speed Queen Store”) under the System in a defined geographic area in accordance with a predetermined development schedule (the “Development Schedule”) set forth in Exhibit A to this Agreement; and

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

1. DEFINITIONS

A. AFFILIATE OR AFFILIATES

The “Affiliate” of a named person or entity means any person or entity that is controlled by, controlling, or under common control with, the named person or entity.

B. COMPETITIVE BUSINESS

“Competitive Business” means any commercial laundromat which offers and sells products or services now or in the future offered and sold by the Speed Queen Stores or any business which looks like, copies, imitates, or operates in a manner similar to a Speed Queen Store but does not apply to: (1) the ownership or operation of a Speed Queen Store by or pursuant to written agreements with, or written authorization from, SQLF or its Affiliates; (2) the ownership of shares

of a class of securities that are listed on a stock exchange or traded on the over-the-counter markets and that represent less than one percent of that class of securities.

C. CONFIDENTIAL INFORMATION

“Confidential Information” means all information relating to the establishment and operation of a Speed Queen Store, including, without limitation: (1) the Specifications; (2) marketing plans; (3) research, development and test programs for products, services and operations; (4) contents of the Operations Manual; (5) knowledge of the operating and financial results of any Speed Queen Store other than a franchised Speed Queen Store developed and operated by Developer (or its Affiliate); (7) computer programs and system; and (8) any improvements to the System.

D. DEVELOPMENT AREA

“Development Area” means the geographic area as described in Exhibit A.

E. DEVELOPMENT SCHEDULE/DEVELOPMENT PERIOD

“Development Schedule” means the schedule for Developer to open and operate a cumulative number of Speed Queen Stores as set forth in Exhibit A to this Agreement. Each “Development Period” is the period of time for Developer to meet each specific development obligation on the Development Schedule.

F. FRANCHISE AGREEMENT

“Franchise Agreement” shall mean the form of franchise agreement for each Speed Queen Store, which may be changed from time to time by SQLF.

G. NON-TRADITIONAL VENUE

“Non-Traditional Venue” means a Speed Queen Store located at a facility where the primary function is not a laundromat business, such as (but not limited to) a college or university, private business, factory, hospital, penal institution, military base, or airport.

H. OPERATIONS MANUAL

“Operations Manual” means any and all handbooks, manuals, or other materials whether written or electronic, that SQLF grants access to Developer during the term of this Agreement which contain Specifications, suggestions or recommendations for the operation of the Speed Queen Store and other related information.

I. PRINCIPALS

“Principal” means collectively and individually: (1) Developer’s spouse, if Developer is an individual; (2) any officer or director of Developer (including the officers and directors of any

general partner of Developer); (3) any person or entity owning and/or controlling 10% or more of the outstanding equity interests of Developer; or (4) any managing member or manager of Developer if Developer is a limited liability company. The initial Principals are listed in Exhibit A to this Agreement.

J. SPECIFICATIONS

“Specifications” shall mean the equipment, standards, requirements, operating procedures and specifications promulgated from time to time by SQLF, through the Operations Manual or otherwise in writing, for any aspect of owning, developing and operating a Speed Queen Store.

K. SYSTEM

“System” means the comprehensive methods and procedures for the establishment, management and operation of a Speed Queen Store, including Confidential Information, the Operations Manual, the Licensed Marks and other business standards and policies, the distinguishing characteristics of which include, without limitation: the Specifications; quality and consistency of the products and service offered; procedures for inventory, management and financial controls; training and assistance; and marketing programs; all of which SQLF may change, improve, further develop or modify throughout the term of this Agreement.

L. TRADE SECRET

“Trade Secret” means information or data about SQLF or any of its products, including but not limited to, technical or non-technical data, formulae, methods, techniques, drawings, processes, financial data, financial plans, product and promotion plans, and lists of actual or potential advertisers, customers or suppliers, that: (i) derives economic value, actual or potential, from not being generally known to, or generally ascertainable by proper means by other persons who can obtain economic value from their disclosure or use; and (ii) is a subject of efforts that are reasonable under the circumstances to maintain its secrecy.

2. USE OF SYSTEM

Developer acknowledges, and does not contest, SQLF’s exclusive ownership and rights to each and every aspect of the System. Developer’s right to use the System is specifically limited to the Development Area and by the terms and conditions of this Agreement and Franchise Agreements executed under the terms of this Agreement.

SQLF may from time to time change or modify the System, including modifications to the Operations Manual, the products and services offered, the required furnishings, fixtures and equipment, the standards and operating procedures, the presentation of the Licensed Marks, the adoption of new administrative forms and methods of reporting and of payment of any monies owed to SQLF (including electronic means of reporting and payment) and the adoption and use of new or modified Licensed Marks or copyrighted materials. If SQLF changes or modifies the System, Developer shall accept those changes or modifications as if they were a part of the System at the time this Agreement was executed by Developer. Developer shall make such expenditures

as any changes or modifications in the System may require, except to the extent that, as SQLF may determine from time to time, implementation of such changes or modifications are prohibited by any applicable law or would have a materially adverse commercial effect on the operations of a Speed Queen Store in the Development Area.

3. GRANT OF DEVELOPMENT RIGHTS

A. TERM

SQLF hereby grants to Developer, and Developer hereby accepts the right and obligation to develop Speed Queen Stores within the Development Area on the terms set forth in this Agreement, including the obligations to open and operate a specific number of Speed Queen Stores over prescribed periods of time as set forth in the Development Schedule and on the terms set forth in Franchise Agreements entered into for the individual Speed Queen Store. Subject to the terms of this Agreement, the rights granted are for a term commencing on the effective date of this Agreement and expiring on the earlier of (1) the last day of the last Development Period on the Development Schedule or (2) the date the last Franchise Agreement is signed. Developer acquires no rights under this Agreement to develop Speed Queen Stores outside the Development Area.

B. DEVELOPMENT PLAN

SQLF has granted these rights in reliance on the business skill, financial capability, and expectations of performance by the Developer. At the time Developer requests approval of a proposed site for each Speed Queen Store, Developer must satisfy the requirements set forth below:

(1) Operational: Developer must be in compliance with the material terms and conditions of this Agreement and all Franchise Agreements granted Developer and must be in compliance with the standards, specifications, and procedures according to the Operations Manual. Developer must have prepared, submitted, and be in compliance with a written management, development and training plan (the “Development Plan”), which must be reviewed and approved, in writing, by SQLF. No franchise will be granted under this Agreement unless Developer is in compliance with the material provisions of the approved Development Plan. SQLF will determine if Developer is in compliance with the Development Plan by conducting periodic audits of Developer’s management, development, training and Speed Queen Store opening procedures. A report of the audit will be presented to Developer within 10 days of completion of the audit. The report may identify areas where Developer is not in compliance with the Development Plan. The report will provide Developer with the procedures and actions necessary to bring Developer in compliance with the Development Plan.

(2) Financial: Developer must satisfy SQLF’s then-current financial criteria for developers, franchisees and principals with respect to Developer’s operation of Speed Queen Stores, if any, and the proposed Speed Queen Store. Developer must be in compliance, and must not have been in default during the 12 months preceding Developer’s request for approval, with all monetary obligations of Developer to SQLF or its Affiliates under any Franchise Agreement granted under this Agreement.

C. EXECUTION OF FRANCHISE AGREEMENT

This Agreement does not grant Developer any right or license to operate a Speed Queen Store, or to distribute goods or services, or any right or license in the Licensed Marks. In order for Developer to be granted such right or license, a Franchise Agreement must be signed by Developer and delivered to SQLF with the initial franchise fee, as prescribed in Section 8 of this Agreement.

4. DEVELOPMENT RIGHTS AND OBLIGATIONS

A. RESERVATION OF RIGHTS

Notwithstanding the above, SQLF (on behalf of itself and its Affiliates) retains the right, in its sole discretion and without granting any rights to Developer:

(1) to operate (on its own or through one or more of its Affiliates), or to grant other persons the right to operate, Speed Queen Stores at locations and on terms SQLF deems appropriate outside the Development Area;

(2) to offer and sell equipment and other products and services authorized for a Speed Queen Store under the Licensed Marks through the Internet and websites and through telemarketing, direct marketing and other distribution methods, within and outside the Development Area;

(3) to offer and sell commercial laundry equipment and related products and services under the Licensed Marks to anyone, anywhere (including operators of competitive commercial laundromats in the Development Area)

(4) to offer and sell the products and services authorized for a Speed Queen Store under names, marks and commercial symbols other than the Licensed Marks within the Development Area;

(5) to offer and sell the products and services authorized for a Speed Queen Store under the Licensed Marks in a Non-Traditional Venue within the Development Area;

(6) to market and promote and to grant other persons the right to market and promote the System in the Development Area including by electronic or digital means, such as Internet websites;

(7) to own, operate or license others to own and operate, other laundromat and/or dry cleaning concepts within and outside the Development Area, provided the other concepts do not use the Licensed Marks;

(8) to acquire the assets or ownership interest of one or more businesses providing products and services similar to those provided at a Speed Queen Store, and to franchise, license or create similar arrangements with respect to these businesses once acquired, wherever

these businesses (or the franchisees or the licensees of these businesses) are located or operating, which may include within the Development Area; and

(9) to be acquired (whether through acquisition of assets, ownership interest or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at a Speed Queen Store, even if such business operates, franchises and/or licenses competitive businesses within the Development Area.

B. RIGHTS DURING DEVELOPMENT PERIODS

Subject to the reservation of rights in Section 4.A. above and except as provided below, in this Section 4.B., if Developer: (1) is in compliance with the material terms and conditions contained in this Agreement, including the Development Schedule and (2) is in compliance with all material obligations under Franchise Agreements granted Developer for individual Speed Queen Stores, then during the Development Periods according to the Development Schedule, SQLF will not operate (directly or through an Affiliate) nor grant any other person the right to own or operate Speed Queen Stores within the Development Area, except for: (a) franchises granted to Developer pursuant to SQLF's then-current standard Franchise Agreement; and (b) franchises granted to any third party pursuant to an arrangement in effect as of the Effective Date.

C. DEVELOPMENT OBLIGATIONS

Developer will at all times faithfully, honestly, and diligently perform the obligations of Developer under this Agreement. Developer will open and continuously operate the cumulative number of Speed Queen Stores at the end of each Development Period set forth in the Development Schedule. Developer agrees that compliance with the Development Schedule is the essence of this Agreement.

D. RIGHT OF FIRST REFUSAL

Upon the expiration of this Agreement and provided Developer (1) is in compliance with the material terms and conditions of this Agreement including the Development Schedule and (2) is in compliance with the material terms and provisions of each Franchise Agreement for Speed Queen Stores granted Developer, SQLF shall offer to Developer the right to develop such additional Speed Queen Stores in the Development Area. In such case, SQLF shall provide written notice to Developer of the number of Speed Queen Stores that may be developed and the terms of such development, which will be established in a supplemental agreement (the "Supplemental Area Development Agreement"). Developer shall have 30 days after receiving SQLF's written notice to exercise that right by providing written notice to SQLF of Developer's intent to exercise the right to develop additional Speed Queen Stores. Developer must pay SQLF the then-current initial development fee SQLF charges for similar development rights and execute the Supplemental Area Development Agreement. If Developer does not exercise its right of first refusal as set forth in this Section, SQLF may develop and open or license others the right to develop and open Speed Queen Stores in the Development Area.

5. FRANCHISED BUSINESS CLOSINGS

If during the term of this Agreement, Developer ceases to operate any Speed Queen Store developed under this Agreement for any reason, Developer must develop a replacement Speed Queen Store to fulfill Developer's obligation to have open and in operation the required number of Speed Queen Stores upon the expiration of each Development Period. The replacement Speed Queen Store must be developed and opened within twelve months, after Developer ceases to operate the Speed Queen Store that needs to be replaced. If, during the term of this Agreement, Developer, in accordance with the terms of any Franchise Agreement for Speed Queen Stores developed under this Agreement, transfers its interests in that Speed Queen Store, a transferred Speed Queen Store shall continue to be counted in determining whether the Developer has complied with the Development Schedule so long as it continues to be operated as Speed Queen Store. .

6. PROCEDURE FOR EXERCISING DEVELOPMENT RIGHTS

Developer shall enter into a separate Franchise Agreement with SQLF for each Speed Queen Store developed pursuant to this Agreement by no later than the date SQLF that has approved the proposed site. The Franchise Agreement for the first Speed Queen Store developed under this Agreement will be executed contemporaneously with this Agreement. All subsequent Speed Queen Stores developed under this Agreement must be established and operated under the then-current form of Franchise Agreement (which may differ from the Franchise Agreement in use when this Agreement is signed) used by SQLF. Developer must execute the then-current form of the Franchise Agreement and pay SQLF the initial franchise fee at the time of execution of the Franchise Agreement for each Speed Queen Store to be developed under this Agreement.

7. DUTIES OF DEVELOPER

A. ORGANIZATION OF DEVELOPER

Developer makes the following representations, warranties and covenants and accepts the following continuing obligations:

(1) If Developer is an entity, Developer represents, warrants and covenants that:

- (i) Developer is duly organized and validly existing under the state law of its formation;
- (ii) Developer is duly qualified and is authorized to do business in each jurisdiction which requires such qualification;
- (iii) the execution and performance of this Agreement are within Developer's power and have been properly authorized under Developer's governing documents;

(2) If Developer is an entity, copies of any required governing documents shall be promptly furnished to SQLF;

(3) If Developer is an entity, Developer shall maintain at all times a current list of all owners of record and all beneficial owners of any class of voting securities in Developer and shall maintain at all times a current list of all officers, directors or managers;

(4) If, after the effective date of this Agreement, any person ceases to qualify as a Principal, or any person qualifies as a Principal after the date hereof, Developer shall promptly notify SQLF and that person shall execute any documents that SQLF may reasonably require based on such person's change in status;

(5) If Developer is an entity, SQLF shall have the right to require that Developer maintain stop-transfer instructions against the transfer of any equity security and any certificate of ownership shall have conspicuously endorsed upon it a legend or other statement in a form satisfactory to SQLF that it is held subject to all restrictions imposed upon transfers by this Agreement; provided, however, that this requirement shall not apply to a publicly held entity;

(6) Any owner of Developer that holds a beneficial ownership interest equal to or greater than 10% must execute the Guaranty and Assumption of Obligations Agreement in the form attached hereto or in SQLF's standard form.

B. REQUIREMENTS OF REPRESENTATIVE

Upon execution of this Agreement, if Developer is an entity, Developer must designate an individual, who is approved by SQLF, to serve as the person who is fully authorized and designated to act on behalf of Developer with respect to all communications and other interactions between Developer and SQLF (the "Representative"). The Representative must use reasonable efforts to: (1) devote substantial time to the development of Speed Queen Stores and (2) meet SQLF's standards and criteria for a Representative as set forth in the Operations Manual or otherwise in writing by SQLF. If, during the term of this Agreement, the Representative is not able to continue to serve in this capacity or no longer qualifies, Developer must promptly notify SQLF and designate a replacement Representative within 30 days after the Representative ceases to serve or be so qualified. The current Representative is identified in Exhibit A; any replacement Representative must be approved by SQLF and added in Exhibit A.

C. COMPLIANCE WITH LAWS

Developer shall obtain and maintain in effect all required licenses, permits and certificates related to the development and operation of Speed Queen Stores and shall develop and operate any Speed Queen Stores in full compliance with all applicable federal, state, and local laws, ordinances and regulations, including without limitation all government regulations pertaining to (i) licensing and certification; (ii) occupational hazards and health; (iii) handling and disposing of chemicals and other environmental matters; (iv) workers' compensation; (v) insurance; (vi) unemployment insurance and withholding; and (vi) applicable taxes.

8. SITE APPROVAL AND EXECUTION OF FRANCHISE AGREEMENTS

A. Developer shall bear all costs, liabilities, expenses and responsibilities for (1) locating, obtaining and developing the site where each Speed Queen Store will be located ("Premises"), (2) undertaking a space feasibility analysis for each Premises that is approved by SQLF, and (3) constructing and equipping each Premises in accordance with the pre-approved final layout and plans. Neither SQLF's approval of a site nor its rendering of assistance in the

selection of a site shall constitute a representation, promise, or guarantee by SQLF that any site will be successful.

B. Prior to acquisition by lease or purchase of a site for each Premises, Developer must (1) submit to SQLF a Site Approval Request, in the form specified by SQLF or one of its Affiliates, which will include a description of the site and such other information and materials as SQLF or one of its Affiliates may reasonably require, and (2) confirm in writing that Developer has an option or other firm commitment to obtain the site. SQLF shall have 30 days after receipt of all requested information to approve or disapprove, in its sole discretion, the proposed site as a location of the Franchise. If SQLF rejects the site, it will include a written explanation of the basis for that rejection to Developer.

C. If Developer plans to occupy the approved site under a lease, Developer shall, before entering into any such lease, provide a copy to SQLF. Developer shall use reasonable efforts to cause the landlord or lessor of the Premises to agree to the terms of the form of Lease Rider then specified by SQLF for use by franchisees.

D. If Developer (or one of its Affiliates) owns the Premises or Developer leases the Premises from an Affiliate, Developer must preserve its right to continue to occupy and use the Premises through the end of the term of the Franchise Agreement, including the right to do so after the sale or other disposition of the Premises to an unrelated third party. SQLF will respond to Developer within 30 days of receipt of the information with any comments or recommendations. Developer must furnish SQLF a copy of the executed purchase contract or lease.

E. Notwithstanding the foregoing, Developer may request that SQLF and/or its Affiliate provide Developer with more comprehensive site selection assistance, however, SQLF and/or its Affiliate are under no obligation to do so. If SQLF agrees to provide Developer with more comprehensive site selection assistance, Developer shall execute any documentation and pay any fees or other amounts required by SQLF.

F. Notwithstanding the foregoing, SQLF may identify sites for Speed Queen Stores and enter into leases for such locations. If SQLF has identified a site and Developer decides to take over that site from SQLF, Developer shall execute any documentation and pay any fees or other amounts required by SQLF.

9. FEES

A. INITIAL DEVELOPMENT FEE

Developer must pay to SQLF the initial development fee in accordance with the payment terms set out in Exhibit A (the "Initial Development Fee"). The initial development fee will be deemed earned upon execution of this Agreement and is nonrefundable and is being paid in consideration for administrative and other expenses incurred by SQLF and for the development opportunities lost as a result of the rights granted to Developer by this Agreement.

B. INITIAL FRANCHISE FEE

In addition to the Development Fee, Developer must pay SQLF an initial franchise fee for each Speed Queen Store to be developed hereunder, less any credit attributable to such Speed Queen Store from the portion of the initial development fee attributable to such Speed Queen Store.

C. PAYMENT METHOD

Franchisor, in its sole discretion, may require Developer to make any payments under this Agreement to Franchisor by any method designated by Franchisor including electronic funds transfer or electronic deposit.

D. INTEREST ON LATE PAYMENTS

Amounts due but not paid timely shall accrue interest at either the greater of: (a) three hundred (300) basis points above the prime interest rate charged at the main branch of Citibank in New York, New York; or (b) three hundred (300) basis points above the prime interest rate quoted in the New York edition of The Wall Street Journal on the date when payment was due (or the date when payment is made, whichever rate is higher) (or, if that is not a business day, on the prior business day); and (c) one and one-half percent (1.5%) per month without compounding; provided, however, that the interest rate Developer pays to SQLF shall not exceed any maximum lawful interest rate then-applicable to Developer

10. CONFIDENTIAL INFORMATION

SQLF will disclose the Confidential Information to Developer in various formats, including, without limitation, training programs, the Operations Manual and in guidance furnished to Developer.

A. Developer shall at all times treat the Operations Manual and any other materials created for, or approved for use in, a Speed Queen Store as Confidential Information. The Operations Manual, written directives, and any other written Confidential Information shall be kept in a secure place designated by SQLF and shall be returned to SQLF immediately upon SQLF's request or upon termination or expiration of this Agreement.

B. Developer acknowledges and agrees that all of the Confidential Information it now has or obtains in the future are derived from SQLF pursuant to this Agreement, and that Developer shall not, without the written consent of SQLF, disclose such Confidential Information or use it for Developer's own benefit (or the benefit of any person or entity other than SQLF and its Affiliates) during and after the term of this Agreement. Notwithstanding the foregoing, Developer may disclose such Confidential Information and Trade Secrets to those employees who need access to perform their employment duties to Developer, (and then only to the extent necessary to enable them to perform their employment duties). Developer acknowledges and agrees that the Confidential Information and Trade Secrets are proprietary to SQLF and are disclosed to Developer solely on the condition that Developer agrees, and Developer does agree, that it will:

(1) not use the Confidential Information or Trade Secrets in any other business or capacity;

(2) maintain the absolute confidentiality of the Confidential Information during and after the term of this Agreement;

(3) not make unauthorized copies of any portion of the Confidential Information;

(4) adopt and implement all reasonable procedures SQLF prescribes to prevent unauthorized use or disclosure of the Confidential Information, including restrictions on disclosure to employees of a Speed Queen Store and the use of nondisclosure and noncompetition clauses in employment agreements with persons; and

(5) require all Principals and members of Developer's management team to sign a confidentiality agreement in a form approved by SQLF (see Exhibit B attached hereto).

C. The restrictions on Developer's disclosure and use of the Confidential Information will not apply to (1) information, processes or techniques which are or become generally known in the commercial laundry services industry, other than through disclosure (whether deliberate or inadvertent) by Developer or its Principals or its management team; or (2) disclosure of Confidential Information as required by law or in judicial or administrative proceedings to the extent Developer is legally compelled to disclose information, provided Developer has used its best efforts not to disclose such information, and has afforded SQLF the opportunity to obtain an appropriate protective order or other assurance satisfactory to SQLF of the confidential treatment for the information required to be disclosed.

D. If Developer or any Principal develops any new concept, process, product or other improvement to the operation or promotion of a Speed Queen Store. Developer must promptly notify SQLF and provide SQLF with all necessary related information, without compensation. Developer and the Principals acknowledge that any concept, process, product, or improvement shall become the property of SQLF and that SQLF may use or disclose that information to other developers as it determines to be appropriate.

11. COVENANTS

A. Developer acknowledges that, pursuant to this Agreement, Developer and its Principals will receive valuable training, Trade Secrets and Confidential Information, which are beyond their present skills and experience and that the specialized training, trade secrets and Confidential Information provide a competitive advantage and are valuable to them in the development and operation of Speed Queen Stores and that gaining access to such information is a primary reason for entering into this Agreement. In consideration for such training, trade secrets and Confidential Information, Developer covenants that during the term of this Agreement, that neither Developer nor any of its Principals shall either directly or indirectly, for themselves, or through, on behalf of or in conjunction with any persons or entity:

(1) Divert, or attempt to divert, any business or customer of any Speed Queen Store to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Licensed Marks or the System;

(2) Except with respect to a Speed Queen Store operated under a franchise agreement between Developer (or one of its Affiliates) and SQLF (or one of its Affiliates) own, maintain, operate, engage in, or have any financial or beneficial interest, in (including any interest in any entity) or advise, assist or make loans to, any Competitive Business located, or is intended to be located, within the United States, its territories, or any other country, province, state or geographic area in which SQLF operates or licenses others to operate businesses under the same or similar License Marks; and

(3) Developer may not operate an unaffiliated business at the Premises along with a Speed Queen Store without SQLF's written approval.

B. In further consideration for the training, trade secrets and Confidential Information described above in Section 12.A, commencing upon the earlier of the expiration, termination, or transfer of an interest in this Agreement or in Developer and continuing for two years thereafter, Developer covenants that neither Developer nor any of the Principals shall directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any person or entity:

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

(2) Own, maintain, operate, engage in, or have any financial or beneficial interest (including any interest in any entity) or advise, assist or make loans to any Competitive Business that is located within or that is intended to be located within any of the following: (i) the Development Area or (ii) a five mile radius of the location of any existing Speed Queen Store or any Speed Queen Store under construction at the time of the transfer, termination or expiration.

C. Developer must require and obtain execution of covenants similar to those set forth in this Section 12 (including covenants applicable upon the termination of a person's employment with Developer) from its Representative or Principals. These covenants must be substantially in the form set forth in Exhibit B. Principals owning 10% or greater interest in Developer also must execute these covenants unless they signed a guarantee.

D. Developer acknowledges and agrees that the covenants in this Section 12 are an integral part of this Agreement necessary to protect the legitimate business interests of SQLF and are reasonable in scope and duration. Developer further acknowledges and agrees that any failure to comply with the requirements of this Section 12 will constitute a material default under this Agreement and would result in irreparable injury to SQLF for which no adequate remedy at law may be available, and Developer accordingly consents to the issuance of an injunction, without the need to post bond, prohibiting any violation of this Section 21. Injunctive relief is in addition

to any other remedies SQLF may have. If SQLF obtains enforcement in a judicial proceeding, the obligations under the breached restriction will continue in effect for a period ending two (2) years after the date of the order enforcing the restriction.

E. The covenants set forth in this Section 12 shall survive the termination or expiration of this Agreement.

12. INSURANCE

A. Developer must obtain and maintain in full force at all times during the term of this Agreement, at Developer's expense, the insurance policies specified in the Operations Manual or otherwise specified in writing by SQLF from time to time.

B. The insurance policies must be written by a responsible carrier or carriers acceptable to SQLF and must name SQLF as an additional named insured, and must include minimum coverage in accordance with Specifications established by SQLF from time to time in the Operations Manual or otherwise in writing.

C. All public liability and property damage policies must contain a provision that SQLF is entitled to recover under these policies on any loss by SQLF or its representatives, agents or employees by reason of the negligence of Developer or its representatives, agents or employees.

D. At least 30 days before a Speed Queen Store opens for business, Developer must deliver or cause to be delivered to SQLF, a copy of the Certificate of Insurance in accordance with these requirements. All insurance policies must expressly provide that a minimum of 30 days' prior written notice shall be given to SQLF in the event of a material alteration to, or cancellation of, the policies.

E. If Developer for any reason fails to obtain or maintain the insurance required by SQLF, SQLF may (without having any obligation to do so) immediately obtain such insurance and charge the cost of such insurance to Developer, which charges, together with a reasonable fee for SQLF's expenses in so acting, shall be payable by Developer immediately upon notice. The foregoing remedies are in addition to any other remedies SQLF may have at law or in equity.

13. RELATIONSHIP OF THE PARTIES; INDEMNIFICATION

A. This Agreement does not create a fiduciary relationship between Developer and SQLF. Developer is an independent contractor, and nothing in this Agreement is intended to make either party an agent, legal representative, subsidiary, joint venturer, partner, employee, or joint employer of the other for any purpose whatsoever. While this Agreement is in effect, Developer must hold itself out to the public as an independent contractor developing a Speed Queen Store pursuant to an area development agreement from SQLF including without limitation, exhibiting a notice on signage, as required by SQLF as to content and manner of disclosure. This Agreement does not authorize Developer to make any contract, agreement, warranty, or representation on SQLF's behalf or to incur any debt or other obligation in SQLF's name. SQLF will not be deemed liable as a result of any such action, nor will SQLF be liable by reason of Developer's act or

omission in the development or operation of a Speed Queen Store, or for any claim or judgment arising therefrom against Developer or SQLF.

B. Developer shall, at all times, indemnify and hold harmless, to the fullest extent permitted by law, SQLF and its Affiliates, successors and assigns and their officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees (each an "Indemnitee") from all losses, expenses, liability, taxes, damages (actual or consequential) and costs (including reasonable accountants', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses) (collectively, the "Losses") which any of them may suffer, sustain or incur by reason of, arising from or in connection with Developer's activities under this Agreement. Developer agrees to give SQLF immediate notice upon Developer having received notice of any action, suit, proceeding, claim, demand, inquiry or investigation related to any Speed Queen Store owned or operated by Developer, and if SQLF becomes a party with respect to such action, suit, proceeding, claim, demand, inquiry or investigation, SQLF may, at any time and without notice, in its reasonable discretion, consent, or agree to settlement or take such other remedial or corrective action as it deems expedient.

C. All losses and expenses incurred by any Indemnitee related to indemnification set forth in this Section 14 shall be chargeable to and shall be paid by Developer, regardless of any actions, activity or defense undertaken by SQLF or the subsequent success or failure of such actions, activity or defense.

D. The phrase "losses, claims, liabilities and expenses" shall include, without limitation, all monetary losses, damages (actual, compensatory, exemplary or punitive), fines, actual costs, expenses, lost profits, reasonable attorneys' fees, court costs, arbitrators', accountants and expert witness fees, costs of investigation, other expenses of litigation, arbitration or mediation, and travel and living expenses, settlement amounts, judgments, and damages to SQLF's reputation and goodwill.

E. Developer expressly agrees that the terms of this Section 13 shall continue in full force and effect after the termination, expiration or transfer of this Agreement or any interest herein.

14. LICENSED MARKS

A. Developer acknowledges that (1) Developer has no ownership interest in or to any of the Licensed Marks; and (2) Developer's right to use the Licensed Marks is derived solely from the individual Franchise Agreements entered into between Developer (or its Affiliate) and SQLF for the purpose of operating a Speed Queen Store. Developer agrees that all usage of the Licensed Marks by Developer and any goodwill established from such use shall exclusively benefit SQLF (or its Affiliate). Developer agrees that after termination or expiration of this Agreement, Developer will not, except with respect to Speed Queen Store operated by Developer under individual Franchise Agreements, directly or indirectly, at any time or in any manner identify itself or any business as a developer or former developer of, or otherwise associated with, SQLF or use

in any manner or for any purpose any Licensed Mark or other indicia of Speed Queen Stores or any colorable imitation.

B. Developer must not use any Licensed Mark as part of any corporate or trade names or with any prefix, suffix, or other modifying words, terms, designs, or symbols, or in any modified form, nor may Developer use any Licensed Mark in connection with any business or activity, other than the business conducted by Developer under Franchise Agreements entered into between Developer and SQLF, or in any other manner not explicitly authorized in writing by SQLF.

C. Developer must immediately notify SQLF in writing of any apparent infringement of or challenge to Developer's use of any Licensed Mark, or claim by any person of any rights in any Licensed Mark or similar trade name, trademark, or service mark of which Developer becomes aware. Developer must not communicate with any person other than SQLF and its counsel regarding any infringement, challenge or claim. SQLF or its Affiliates have sole discretion to take action it deems appropriate and the right to exclusively control any litigation, U.S. Patent and Trademark Office proceeding or other administrative proceeding arising out of any infringement, challenge, or claim or otherwise relating to any Licensed Marks.

15. TERMINATION

A. In SQLF's sole discretion, SQLF may terminate this Agreement (and all rights granted herein) without notice to Developer, if: (1) Developer becomes insolvent or makes a general assignment for the benefit of creditors; (2) a petition in bankruptcy is filed under any applicable bankruptcy laws by Developer or such a petition is filed against Developer and not opposed by Developer; (3) a bill in equity or other proceeding for the appointment of a receiver of Developer or other custodian for Developer's business or assets is filed and consented to by Developer; (4) a receiver or other custodian (permanent or temporary) of Developer's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; (5) proceedings for a composition with creditors under any applicable law should be instituted by or against Developer; (6) final judgment remains unsatisfied or of record for 30 days or longer (unless an appropriate bond is filed); (7) Developer is dissolved; (8) execution is levied against Developer's business or property; (9) if suit to foreclose any lien or mortgage against the Premises or equipment of a Speed Queen Store is instituted against Developer and not dismissed within 30 days; or (10) the real or personal property of the Premises shall be sold after levy thereupon by any sheriff, marshal or other law enforcement officer.

B. Developer will be deemed to be in material default, and SQLF may terminate this Agreement (and all rights granted hereunder) effective immediately upon notice to Developer without affording Developer any opportunity to cure the default upon the occurrence of any of the following:

(1) Developer or any of its Principals fails to comply with the confidentiality or non-competition covenants contained in this Agreement;

(2) Developer or a Principal discloses the contents of the Operations Manual or other Confidential Information contrary to this Agreement;

(3) A threat or danger to public health or safety results from the operation of a Speed Queen Store operated by Developer under a Franchise Agreement;

(4) Developer or a Principal made material misrepresentations in connection with the application for the development rights;

(5) Developer fails on two or more occasions within any consecutive twelve month period to comply with any one or more provisions of this Agreement, whether or not such prior failures are cured;

(6) Developer or any Principal fails to comply with the conditions of transfer of any interest in Developer as required of this Agreement;

(7) Developer or any Principal is convicted of, or enters a plea of nolo contendere to, a felony or a crime involving moral turpitude, or any other crime or offense SQLF believes is reasonably likely to have an adverse effect on the System, the Licensed Marks or the goodwill associated therewith; or

(8) Developer fails to timely meet the development requirements set forth in the Development Schedule.

C. SQLF may terminate this Agreement (and all rights granted herein), after providing written notice to Developer and a 30 day cure period, or a lesser time as specified below, upon the occurrence of any of the following

(1) If Developer fails to designate a qualified replacement Representative as required by this Agreement;

(2) If Developer intentionally misappropriates, misuses or makes any unauthorized use of the Licensed Marks or materially impairs the goodwill associated with the Licensed Marks or with the System and does not cure such default within 24 hours following written notice from SQLF;

(3) If Developer, fails, refuses or is unable to promptly pay when due any monetary obligation to SQLF or to any of its Affiliates required by this Agreement, or by any Franchise Agreement or any other agreement between the parties and does not cure the monetary default within 14 days following written notice from SQLF; or

(4) If Developer fails to comply with any other material term or material condition imposed by this Agreement or any Franchise Agreement executed under this Agreement.

D. If Developer fails to cure any default specified in a notice from SQLF under Section 16.C. within the specified time, or a longer period of time if required by applicable law, Developer's rights under this Agreement shall terminate upon the expiration of the notice period, and without further notice to Developer.

E. A default by Developer (or its Affiliates) under any other agreement with Franchisor (or its Affiliates) shall constitute a default under this Agreement.

16. EFFECT OF TERMINATION AND EXPIRATION

A. All obligations of SQLF and Developer under this Agreement, which expressly or by their nature survive the expiration or termination of this Agreement, shall continue in full force and effect after the expiration or termination of this Agreement until they are satisfied in full or by their nature expire.

B. Upon the termination or expiration of this Agreement, Developer must: (1) comply with the restrictions on Confidential Information and the covenants against competition contained in this Agreement; and (2) promptly pay all amounts owing to SQLF and its Affiliates, including reasonable attorneys' fees incurred by SQLF as a result of any default by Developer. Developer shall pay SQLF all damages, costs and expenses, including reasonable attorneys' fees and costs, incurred by SQLF in exercising any remedy available to SQLF for any violation of this Agreement and subsequent to the termination or expiration of this Agreement in obtaining injunctive relief or other relief for the enforcement of any provisions of this Agreement.

C. Upon the termination or expiration of this Agreement: (1) Developer's rights to the Development Area revert to SQLF and Developer will have no right to establish or operate any Speed Queen Store for which a Franchise Agreement has not been executed by SQLF and delivered to Developer at the time of termination or expiration (but may complete development of and/or operate Speed Queen Stores under then-existing Franchise Agreements); and (2) SQLF may develop, or authorize others to develop, Speed Queen Stores in the Development Area.

D. Developer acknowledges and agrees that any fees paid to SQLF under this Agreement are non-refundable.

17. TRANSFER OF INTEREST

A. BY SQLF

SQLF has the absolute right to transfer or assign this Agreement and all or any part of its rights and obligations to any person or legal entity, without the consent or approval of Developer. This Agreement shall inure to the benefit of, and be binding on, the successors and assigns of SQLF.

B. DEVELOPER MAY NOT ASSIGN WITHOUT APPROVAL OF SQLF

Developer understands and acknowledges that the rights and duties created by this Agreement are personal to Developer and that SQLF has granted the development rights in reliance upon the skill, aptitude, attitude, business ability and financial capacity of Developer and/or its owners. Neither the development rights granted herein nor the assets of Developer related to a Speed Queen Store or any interest in Developer, may be voluntarily, involuntarily, directly or indirectly, assigned, sold, conveyed, pledged, sub-franchised or otherwise transferred (including

by merger or consolidation, by issuance of additional ownership interests by conversion, by transfer or creation of an interest as a partner of a partnership, by transfer of an interest in a divorce proceeding, or by will, transfer in trust or the laws of the intestate succession) without the prior written approval of SQLF which may be conditioned upon compliance with the requirements of Section 17, paragraph C of this Agreement, and any assignment or transfer without such approval constitutes a breach and conveys no rights to or interests in the rights granted herein.

C. CONDITIONS FOR APPROVAL OF ASSIGNMENT

If Developer is in compliance with this Agreement, SQLF shall not unreasonably withhold its approval of an assignment of this Agreement (or any of the other transfers requiring SQLF's approval) but SQLF may condition its consent to any assignment or other transfer upon the transfer, according to their terms, of any or all Franchise Agreements for Speed Queen Stores located in the Development Area to which SQLF and Developer or any of its Affiliates are parties. SQLF may require, in its sole discretion that any one or more of the following conditions be met before, or concurrently with, the effective date of such assignment or transfer:

(1) All accrued monetary obligations of Developer or any of its Affiliates and all other outstanding obligations to SQLF or any of its Affiliates arising under this Agreement, any Franchise Agreement or other agreement between them and all trade accounts and any other debts to SQLF, of whatsoever nature, shall be satisfied in full prior to the transfer becoming effective;

(2) Developer is not in material default of any substantive provision of this Agreement, any amendment hereof or successor hereto, or any Franchise Agreement granted pursuant to its terms, or other agreement between Developer or any of its Affiliates and SQLF or any of its Affiliates;

(3) Developer and its Principals, as applicable, shall have executed a general release, in a form satisfactory to SQLF, releasing SQLF of any and all claims against SQLF and its Affiliates and their respective past and present partners, the past and present officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, in their corporate and individual capacities, including, without limitation, claims arising under or related to this Agreement, any Franchise Agreement and any other agreements between Developer and SQLF, or under federal, state or local laws, rules, and regulations or orders;

(4) The transferee shall demonstrate to SQLF's satisfaction that the transferee meets the then-current criteria considered by SQLF when reviewing a prospective developer's application for development rights, including, but not limited to, SQLF's managerial and business experience standards, that the transferee possesses good business reputation and credit rating; that the transferee has the aptitude, financial resources and capital committed for the operation of the business, and the geographic proximity of other territories with respect to which transferee has been granted development rights or of other Speed Queen Stores operated by transferee, if any;

(5) In SQLF's sole discretion, transferor (along with Developer and all its owners and guarantors) and/or transferee (along with any new developer and all its owners and guarantors) shall execute all documentation required by SQLF, which may include: (i) SQLF's

then-current form of area development agreement being offered to new developers, and such other ancillary agreements as required by SQLF, which agreements shall supersede this Agreement and the terms of which agreement may differ from the terms of this Agreement; or (ii) a written assumption agreement, in a form prescribed by SQLF, where transferee assumes full and unconditional liability from the date of the transfer for all obligations, covenants and agreements of Developer in this Agreement; and, if transferee is an entity, transferee's owners shall also execute such agreement or guarantee the obligations of transferee in a manner reasonably satisfactory to SQLF; and

(6) Developer shall pay SQLF a transfer fee of \$5,000, or such greater amount as is necessary, to reimburse SQLF for its reasonable costs and expenses associated with reviewing the application to transfer, including, without limitation, attorneys' and accounting fees.

Developer acknowledges and agrees that each of the conditions set forth above is reasonable and necessary. SQLF's consent to any assignment or transfer shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of SQLF's right to demand exact compliance with any of the terms of this Agreement by the transferee.

D. ASSIGNMENT TO A CORPORATION OR LIMITED LIABILITY COMPANY

If Developer is an individual or group of individuals and Developer desires to transfer this Agreement to an entity wholly owned by Developer, where the ownership will not change, the requirements of Section 17.C. shall apply to such a transfer; however, Developer will not be required to pay a transfer fee, but Developer must reimburse SQLF for its costs and expenses. SQLF's consent also will be conditioned on the following: (1) the entity must be newly organized; (2) prior to the transfer, SQLF must receive a copy of the documents specified in Section 17.C. and the transferee shall comply with the remaining provisions of Section 17, and (3) Developer must own all voting shares of the newly formed company or, if Developer is owned by more than one individual, each person shall have the same proportionate ownership interest in the company as prior to the transfer. Developer and its Principals shall take all steps necessary to comply with the provisions of Section 7.A. above.

E. RIGHT OF FIRST REFUSAL

If Developer or a Principal, which owns a controlling interest in Developer, or otherwise controls the operation of Developer, receives from a third party, and desires to accept, any bona fide written offer to transfer all or any part of its interest, then Developer shall promptly notify SQLF in writing and send SQLF an executed copy of the proposed contract of transfer. SQLF shall have the right and option, exercisable within 30 days after actual receipt of such notification (and the proposed contract of transfer) which shall describe the terms of the offer and shall include any additional information requested by SQLF, to send written notice to Developer that SQLF intends to purchase the interest on the same terms and conditions offered by the third party. If requested by SQLF, Developer shall include in its formation documents or other governing

documents any provisions that SQLF deems necessary to allow SQLF to exercise its right of first refusal under this Agreement. Closing on the purchase must occur within 60 days after the date of notice by SQLF of SQLF's election to purchase. Any material change in the terms of any offer before closing shall constitute a new offer subject to the same rights of first refusal as the initial offer. Failure of SQLF to exercise the option afforded by this Section 18 shall not constitute a waiver of any other provision of this Agreement. If the offer from a third party provides for payment of consideration other than cash or involves certain intangible benefits, SQLF may elect to purchase the interest proposed to be sold for the reasonable cash equivalent, or intangible benefits similar to those being offered. If the parties cannot agree within a reasonable time on the reasonable cash equivalent of the non-cash part of the offer, then such amount shall be determined by an independent appraiser designated by SQLF, and his determination shall be binding. A transfer of this Agreement, a Speed Queen Store or an ownership interest in Developer to an immediate family member is subject to SQLF's approval; however, SQLF shall not have a right of first refusal. For purposes of this paragraph, an immediate family member is limited to a spouse and/or a living child or living children or living grandchildren or a trust for the benefit of such persons or such transferee.

F. DEATH OR DISABILITY

Upon the death or permanent disability of Developer (or any owner of Developer, if Developer is an entity), the executor, administrator, conservator or other personal representative of that person must transfer his interest to a person SQLF approves within a reasonable time, not to exceed twelve (12) months from the date of death or appoint a manager approved by SQLF in the case of permanent disability. Approval of a transfer will not be unreasonably withheld. Transfers, including transfers by devise or inheritance, are subject to all the terms and conditions for assignments and transfers contained in Section 17.C.

G. PUBLIC OR PRIVATE OFFERINGS

(1) Developer acknowledges that the written information used to raise or secure funds can reflect upon SQLF. Developer agrees to submit any written information intended to be used for that purpose to SQLF before its inclusion in any registration statement, prospectus or similar offering circular or memorandum. This requirement applies under the following conditions: (i) if Developer attempts to raise or secure funds by the sale of securities in Developer or any Affiliate of Developer (including common or preferred stock, bonds, debentures or general or limited partnership interest) and (ii) if any of its owners attempt to raise or secure funds by the sale of securities in Developer or any Affiliate of Developer (including common or preferred stock, bonds, debentures or general or limited partnership interests) Developer (or any of its owners) agrees not to use the written materials submitted to SQLF or any other written materials to raise or secure funds unless and until SQLF approves of the language. No information respecting SQLF or any of its Affiliates shall be included in any securities disclosure document, unless that information has been furnished to SQLF, in writing, pursuant to the written request of the Developer. The written request shall state the specific purpose for which the information is to be used. Should SQLF, in its sole discretion, object to any reference to SQLF or any of its Affiliates or any of their businesses in the offering literature or prospectus, the literature or prospectus shall

not be used unless and until the objections of SQLF are withdrawn. SQLF assumes no responsibility for the offering whatsoever. Developer must pay SQLF a public offering fee of \$3,500 for the costs to SQLF to review the information. The written consent of SQLF pursuant to this Section 17. G does not imply or constitute the approval of SQLF with respect to the method of financing, the offering literature submitted to SQLF or any other aspect of the offering.

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

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

(3) Developer shall indemnify, defend and hold harmless SQLF and its Affiliates, and their respective officers, directors, employees and agents, from any and all claims, demands, liabilities, and all costs and expenses (including reasonable attorneys’ fees) incurred by SQLF as the result of the offer or sale of securities.. SQLF has the right (but not the obligation) to defend any claims, demands or liabilities and/or to participate in the defense of any action to which SQLF or any of its Affiliates or any of their respective officers, directors, employees or agents is named as a party.

H. EXEMPTED TRANSFERS

Notwithstanding the foregoing, the provisions of this Section 17 shall not apply to a transfer where: (a) less than thirty percent (30%) of the total equity interest in Developer is being transferred; and (b) no party disposing of an equity interest in Developer is a Principal (“Exempted Transfer”); provided that Developer provides SQLF with reasonable notice of the Exempted Transfer and copies any transfer documentation that SQLF requires.

18. APPROVALS

A. Wherever this Agreement requires the prior approval or consent of SQLF, Developer shall make a timely written request to SQLF for such approval or consent.

B. SQLF makes no warranties or guarantees upon which Developer may rely and assumes no liability or obligation to Developer or to any third party to which it would not otherwise be subject, by providing any waiver, approval, advise, consent, or services to Developer in

connection with this Agreement, or by any reason of neglect, delay or denial of any request therefor.

19. NONWAIVER

No failure of SQLF to exercise any power reserved to it by this Agreement, or to insist upon strict compliance by Developer or Principals with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver or estoppel of SQLF's right to demand exact compliance with any of the terms herein and Developer warrants and undertakes that it shall not rely on such failure, custom or practice. Waiver by SQLF of any particular default by Developer or any of the Principals shall not affect or impair SQLF's rights with respect to any subsequent default of the same, similar or different nature, nor shall delay, forbearance, or omission of SQLF to exercise any power or right arising out of any breach or default by its other developers or by Developer of any of the terms, provisions, or covenants hereof, affect or impair SQLF's right to exercise the same, nor shall such constitute a waiver by SQLF of any right hereunder, or the right to declare any subsequent breach or default and to terminate this Agreement prior to the expiration of its term. Subsequent acceptance by SQLF of any payments due to it hereunder shall not be deemed to be a waiver by SQLF of any preceding breach by Developer of any terms, covenants or conditions of this Agreement.

20. DEVELOPER'S RECORDS AND REPORTS

A. Developer shall provide SQLF with periodic reports, forms and records as specified, and in the manner and at the time as specified in the Operations Manual. SQLF's duly authorized representative has the right, following reasonable notice, at all reasonable hours of the day to examine all Developer's records with respect to the subject matter of this Agreement, and has full and free access to records for that purpose and for the purpose of making extracts. All records must be kept available for at least 3 years after preparation.

B. Developer must furnish to SQLF monthly written reports regarding Developer's progress on the development of Speed Queen Stores under this Agreement.

21. NOTICES

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

Notice to SQLF:

FAO Speed Queen Retail Finance Team
SPEED QUEEN Laundry Franchise LLC
221 Shepard Street
Ripon, Wisconsin 54971 USA
E-mail: notices@speedqueenlaundry.com

Notice to Developer:

ATTN: _____

22. MEDIATION

BEFORE ANY PARTY MAY BRING AN ACTION IN COURT AGAINST THE OTHER, THE PARTIES AGREE THAT THEY MUST FIRST MEET TO MEDIATE THE DISPUTE. THE MEDIATION IS TO BE CONDUCTED THROUGH EITHER AN INDIVIDUAL MEDIATOR OR A MEDIATOR APPOINTED BY A MEDIATION SERVICES ORGANIZATION OR BODY, EXPERIENCED IN THE MEDIATION OF FRANCHISE RELATED DISPUTES, AGREED UPON BY THE PARTIES AND, FAILING AN AGREEMENT WITHIN A REASONABLE PERIOD OF TIME AFTER EITHER PARTY HAS NOTIFIED THE OTHER OF ITS DESIRE TO SEEK MEDIATION OF ANY CLAIM, CONTROVERSY OR DISPUTE (NOT TO EXCEED 15 DAYS), BY THE AMERICAN ARBITRATION ASSOCIATION (OR ANY SUCCESSOR ORGANIZATION) IN ACCORDANCE WITH ITS RULES GOVERNING MEDIATION, AT SQLF'S CORPORATE HEADQUARTERS IN RIPON, WISCONSIN. THE COSTS AND EXPENSES OF MEDIATION, INCLUDING COMPENSATION AND EXPENSES OF THE MEDIATOR (AND EXCEPT FOR THE ATTORNEYS' FEES INCURRED BY EITHER PARTY), ARE TO BE SHARED BY THE PARTIES EQUALLY. IF THE PARTIES ARE UNABLE TO RESOLVE THE CLAIM, CONTROVERSY OR DISPUTE WITHIN 90 DAYS AFTER THE MEDIATOR HAS BEEN CHOSEN, THEN EITHER PARTY MAY BRING A LEGAL PROCEEDING UNDER SECTION 23. TO RESOLVE THE CLAIM, CONTROVERSY OR DISPUTE UNLESS THE TIME PERIOD IS EXTENDED BY WRITTEN AGREEMENT OF THE PARTIES. NOTWITHSTANDING THE FOREGOING, SQLF MAY BRING AN ACTION THAT INCLUDES CLAIMS (1) TO RECOVER MONIES OWED, (2) FOR INJUNCTIVE OR OTHER EXTRAORDINARY RELIEF, OR (3) SEEKING TO OBTAIN POSSESSION OF OR TO SECURE OTHER RELIEF RELATING TO THE SPEED QUEEN STORE PREMISES IN A COURT HAVING JURISDICTION AND IN ACCORDANCE WITH SECTION 23., WITHOUT FIRST SUBMITTING THE DISPUTE UNDERLYING THAT ACTION FOR MEDIATION.

23. ENFORCEMENT

A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS

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

B. EXCEPTIONS

Neither SQLF nor Developer are liable for loss or damage or deemed to be in breach of this Agreement if its failure to perform its obligations results from: (1) transportation shortages, inadequate supply of labor, material or energy, or the voluntary foregoing of the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state or local government or any department or agency; (2) compliance with any law, ruling, order, regulation, requirement or instruction of any federal, state, or local government or any department or agency; (3) acts of God; (4) acts or omissions of the other party; (5) fires, strikes, embargoes, war or riot; or (6) any other similar event or cause. Any delay resulting from any of these causes shall extend performance accordingly or excuse performance, in whole or in part, as may be reasonable.

C. SPECIFIC PERFORMANCE/INJUNCTIVE RELIEF

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

D. RIGHTS OF PARTIES ARE CUMULATIVE

All rights and remedies of the parties hereto shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement, the rights and

remedies of the parties hereto shall be continuing and shall not be exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration or early termination of this Agreement shall not discharge or release Developer from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration or early termination of this Agreement.

E. COSTS AND ATTORNEYS' FEES

If a claim for amounts owed by Developer to SQLF or any of its Affiliates is asserted in any legal proceeding before a court of competent jurisdiction or arbitrator, or if SQLF or Developer is required to enforce this Agreement in a judicial or arbitration proceeding, the party prevailing in the proceeding is entitled to reimbursement of its costs and expenses incurred, including reasonable accounting and legal fees.

F. GOVERNING LAW

This Agreement and any claim or controversy arising out of, or relating to, rights and obligations of the parties under this Agreement and any other claim or controversy between the parties shall be governed by and construed in accordance with the laws of the State of Wisconsin without regard to conflicts of laws principles. Nothing in this Section is intended, or shall be deemed, to make any Wisconsin law regulating the offer or sale of franchises or the franchise relationship applicable to this Agreement if such law would not otherwise be applicable.

G. WAIVER OF DAMAGES

Except for claims SQLF brings with regard to Developer's obligations to indemnify SQLF and claims SQLF brings against you for unauthorized use of the Licensed Marks or unauthorized use of Confidential Information, SQLF and Developer and Developer's owners waive to the fullest extent permitted by law any right to or claim for punitive or exemplary damages against the other party and in the event of a dispute between SQLF and Developer damages shall be limited to the actual damages a party sustains.

The provisions of this Subsection are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this agreement.

H. EXCLUSIVE JURISDICTION

With respect to any claims, controversies or disputes which are not finally resolved through mediation or as otherwise provided in this Agreement, Developer must file any suit against SQLF only in the federal or state court having jurisdiction where SQLF's principal offices is located at the time suit is filed. SQLF must file suit in the federal or state court located in the jurisdiction where its principal offices are located at the time suit is filed, in the jurisdiction where Developer resides or does business, where the Speed Queen Business is or was located, or where the claim

arose. Developer consents to the personal jurisdiction of those courts over Developer and to venue in those courts.

The parties agree that all proceedings, whether litigation or mediation, will be conducted on an individual, not a class-wide basis, and that any proceeding between Developer and SQLF or its Affiliates or employees may not be consolidated with any other proceeding between SQLF and any other person or entity.

I. JURY TRIAL WAIVER

THE PARTIES IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, AND/OR COUNTERCLAIM BROUGHT BY EITHER PARTY.

J. VARIANCES

Developer acknowledges that SQLF has and may at different times approve exceptions or changes from the uniform standards of the System in SQLF's absolute sole discretion, which SQLF deems desirable or necessary under particular circumstances. Developer understands that he has no right to object to or automatically obtain such variances, and any exception or change must be approved in advance from SQLF in writing. Developer understands existing Developers may operate under different forms of agreements and that the rights and obligations of existing Developers may differ materially from this Agreement.

K. BINDING EFFECT

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

L. CONSTRUCTION/INTEGRATION CLAUSE

This Agreement, all exhibits to this Agreement and all ancillary agreements executed contemporaneously with this Agreement constitute the entire agreement between the parties with reference to the subject matter of this Agreement and supersede any and all prior negotiations, undertakings, representations, and agreements; provided, however, that nothing in this or any related agreement is intended to disclaim the representations SQLF made in the Franchise Disclosure Document.

24. MISCELLANEOUS

A. Except as otherwise expressly provided, nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity who is not a party to this Agreement.

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

C. “Developer” as used in this Agreement is applicable to one or more persons, a corporation or a partnership or limited partnership or limited liability company as the case may be, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine. If two or more persons are at any time Developer under this Agreement, their obligations and liabilities to SQLF shall be joint and several. References to “Developer” and “Assignee” which are applicable to an individual or individuals shall mean the owner or owners of the equity or operating control of Developer or the Assignee, if Developer or the Assignee is a corporation, partnership, limited partnership or limited liability company.

D. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the Effective Date.

SPEED QUEEN Laundry Franchise LLC
a Delaware limited liability company

By: _____

Print Name: _____

Title: _____

**DEVELOPER: If a corporation,
partnership, or limited liability company,
print name of business entity on the line
below:**

By: _____

Print Name: _____

Title: _____

If Developer is one or more individuals:

(Print Name) _____

Date: _____

(Print Name) _____

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS IS GIVEN THIS _____ day of _____, _____, by _____, _____, (each a "Guarantor").

In consideration of, and as an inducement to, the execution of that certain Area Development Agreement of even date herewith (the "Agreement") by and between **SPEED QUEEN Laundry Franchise LLC** ("SQLF"), and _____, a _____ ("Developer"), each Guarantor hereby personally and unconditionally (1) guarantees to SQLF, and its successor and assigns that Developer shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (2) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities.

Each Guarantor hereby waives: (1) acceptance and notice of acceptance by SQLF of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed; and (4) any right Developer may have to require that an action be brought against Developer or any other person as a condition of liability. Each Guarantor hereby consents and agrees that: (1) each Guarantor shall render any payment or performance required under the Agreement upon demand if Developer fails or refuses punctually to do so; (2) each Guarantor's liability shall not be contingent or conditioned upon pursuit by SQLF of any remedies against Developer or any other person; and (3) each Guarantor's liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which SQLF may grant to Developer or to any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the term of the Agreement.

Each Guarantor hereby further consents and agrees that:

(A) Each Guarantor's liability shall be direct, immediate, and independent of the liability of, and shall be joint and several with, Developer and each other Guarantor;

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

(C) Each Guarantor shall pay all reasonable attorneys' fees and all costs and other expenses incurred in any collection or attempted collection, of any amounts due pursuant to this undertaking or any negotiations relative to the obligations hereby guaranteed or in enforcing this undertaking against such Guarantor;

(D) This undertaking will continue unchanged by the occurrence of any bankruptcy with respect to Developer or any assignee or successor of Developer or by any abandonment of the Agreement by a trustee of Developer; and

(E) Neither the obligation of each Guarantor to make payment or render performance in accordance with the terms of this undertaking nor any remedy for enforcement shall be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Developer or its estate in bankruptcy or of any remedy for enforcement, resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency.

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

GUARANTOR(S)

PERCENTAGE OWNERSHIP IN
DEVELOPER

EXHIBIT A – DATA SHEET

Developer:			
Address			
Primary Tel:		Cell #:	
Email Address:			

Development Area:
Description of Development Area: _____ _____
[INSERT OR ATTACH MAP OF DEVELOPMENT AREA]

Development Schedule:		
You agree to sign Franchise Agreements for and to open _____ () new Speed Queen Stores within the Development Area according to the following Schedule:		
SITE ACCEPTED BY FRANCHISOR AND FRANCHISE AGREEMENTS TO BE EXECUTED BY (DATE)	SPEED QUEEN STORE OPENING DEADLINE	CUMULATIVE MINIMUM NUMBER OF NEW SPEED QUEEN STORES TO BE OPEN AND OPERATING NO LATER THAN THE OPENING DEADLINE (IN PREVIOUS COLUMN)

* Forfeiture of Rights of Exclusivity: Developer’s failure to comply with the Development Schedule causes the rights of exclusivity to be forfeited.

Statement of Ownership Interests and Principals:					
Shareholders: The following is a list of shareholders, partners, member, or other investors in Developer, including all investors who own or hold a direct or indirect interest in Developer, and a description of the nature of their interest: <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center; padding: 5px;">Name</th> <th style="width: 50%; text-align: center; padding: 5px;">Percentage of Ownership/Nature of Interest</th> </tr> </thead> <tbody> <tr> <td colspan="2" style="height: 40px;"></td> </tr> </tbody> </table>		Name	Percentage of Ownership/Nature of Interest		
Name	Percentage of Ownership/Nature of Interest				
Principals: The following is a list of all Principals (as defined in this Agreement) as of the date of this Agreement, each of whom shall execute the Confidentiality Agreement and Ancillary Covenant Not to Compete substantially in the form set forth in Exhibit B to this Agreement. <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center; padding: 5px;">Name</th> <th style="width: 50%; text-align: center; padding: 5px;">Percentage of Ownership/Nature of Interest</th> </tr> </thead> <tbody> <tr> <td colspan="2" style="height: 40px;"></td> </tr> </tbody> </table>		Name	Percentage of Ownership/Nature of Interest		
Name	Percentage of Ownership/Nature of Interest				
Representative: The Developer's Representative is: _____					

Fees:		
Fee Description:	Amount:	Payment Terms:
Initial Development Fee	\$ _____	Due upon signing of Development Agreement. The portion of the initial development fee attributable to each individual Speed Queen Store to be developed under this Agreement shall be credited toward the initial franchise fee due for that Speed Queen Store upon execution of the Franchise Agreement for that Speed Queen Store.

**EXHIBIT B - CONFIDENTIALITY AGREEMENT AND
ANCILLARY COVENANTS NOT TO COMPETE**

(to be signed by Developer and its owners, principals, and executive/management staff)

This Agreement is made and entered into as of _____, 20__, between _____, (“Developer”), and _____ (“Covenantor”).

RECITALS

WHEREAS, SPEED QUEEN Laundry Franchise LLC, a Delaware limited liability company (“SQLF”) has developed a distinct and proprietary system (the “System”) for the establishment, development and operation of high end laundromats under the name SPEED QUEEN® (“Franchises”); and

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

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

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

WHEREAS, SQLF has granted Developer the limited right to develop a Speed Queen Store using the System, the Licensed Marks and the Trade Secrets, pursuant to an Area Develop Agreement entered into on _____, _____ (“Development Agreement”), by and between SQLF and Developer; and

WHEREAS, SQLF and Developer have agreed in the Development Agreement on the importance to SQLF and to Developer and other licensed users of the System of restricting the use, access and dissemination of the Trade Secrets; and

WHEREAS, it is necessary for certain employees, agents, independent contractors, officers, directors and equity interest holders of Developer, or any entity having an interest in Developer (“Covenantor”) to have access to and to use some or all of the Trade Secrets in the management and operation of the Franchised Business using the System; and

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

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

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

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

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

Confidentiality Agreement

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

2. Covenantor shall receive the Trade Secrets in confidence and must, at all times, maintain them in confidence, and use them only in the course of his employment or association with a Developer and then only in connection with the development and/or operation by Developer of a Speed Queen Store for so long as Developer is licensed by SQLF to use the System.

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

4. Covenantor shall not at any time disclose or permit the disclosure of the Trade Secrets except to other employees of Developer and only to the limited extent necessary to train or assist other employees of Developer in the development or operation of a Speed Queen Store.

5. Covenantor must surrender any material containing some or all of the Trade Secrets to Developer or SQLF, upon request, or upon termination of employment by Developer, or upon

conclusion of the use for which the information or material may have been furnished to Covenantor.

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

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

Covenants Not to Compete

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

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

b. Except with respect to Speed Queen Store not to directly or indirectly, for himself or through, on behalf of, or in conjunction with any person, partnership or corporation, without the prior written consent of SQLF, own, maintain, operate, engage in, or have any financial or beneficial interest in (including any interest in corporations, partnerships, trusts, unincorporated associations or joint ventures) become employed, advise, assist or make loans to, any business that looks like, copies, imitates, or operates in a manner similar to a Speed Queen Store.

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

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

b. Except with respect to Speed Queen Store not to directly or indirectly, for himself or through, on behalf of, or in conjunction with any person, partnership or corporation, without the prior written consent of SQLF, own, maintain, operate, engage in, or have any financial or beneficial interest in (including any interest in corporations, partnerships, trusts, unincorporated associations or joint ventures) become employed, advise, assist or make loans to, any business that looks like, copies, imitates, or operates in a manner similar to a Speed Queen Store.

Miscellaneous

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

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

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

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

5. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF WISCONSIN. COVENANTOR HEREBY IRREVOCABLY SUBMITS HIMSELF TO THE JURISDICTION OF THE STATE COURTS LOCATED IN WISCONSIN AND THE FEDERAL DISTRICT COURT FOR WISCONSIN. COVENANTOR HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. COVENANTOR HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON HIM IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY WISCONSIN OR FEDERAL LAW. COVENANTOR FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE RIPON, WISCONSIN; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, SQLF OR DEVELOPER MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE WHICH HAS JURISDICTION.

6. The parties acknowledge and agree that each of the covenants contained in this Agreement are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of SQLF. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which SQLF is a party, Covenantor

expressly agrees to be bound by any lesser covenant subsumed within the terms of the covenant that imposes the maximum duty permitted by law as if the resulting covenant were separately stated in and made a part of this Agreement.

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

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

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

ATTN: _____

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

ATTN: _____

Any notices sent by personal delivery shall be deemed given upon receipt. Any notices given by facsimile or electronic mail shall be deemed given upon transmission, provided confirmation is made as provided above. Any notice sent by expedited delivery service or registered or certified mail shall be deemed given three business days after the time of mailing. Any change in the foregoing addresses shall be effected by giving 30 days written notice of such change to the other parties. Business day for the purpose of this Agreement excludes Saturday, Sunday and all federal holidays.

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

10. Covenantor hereby acknowledges and agrees that SQLF is an intended third-party beneficiary of this Agreement with the right to enforce it, independently or jointly with Developer.

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

DEVELOPER

COVENANTOR

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT C
FRANCHISE AGREEMENT

SPEED QUEEN

FRANCHISE AGREEMENT

FRANCHISEE: _____
DATE OF AGREEMENT: _____

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FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this “Agreement”) is made effective as of _____, 20__ (“Effective Date”), by and between **SPEED QUEEN LAUNDRY FRANCHISE LLC**, a Delaware limited liability company with its principal office at 221 Shepard Street, Ripon, Wisconsin 54971 (“SQLF” or “Franchisor”) and _____, a _____ with its principal office at _____ (“Franchisee”).

W I T N E S S E T H:

WHEREAS, as the result of expenditure, time, skill, effort and expense, SQLF and its Affiliates have created a distinct proprietary System for the establishment, development and operation of high end laundromats under the name SPEED QUEEN® (each a “Speed Queen Store”);

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

WHEREAS, pursuant to a License Agreement with Alliance Laundry Systems, LLC, SQLF has the right to use, and to grant others the right and license to use, the System and the Licensed Marks, and through this Agreement grants the right and license to Franchisee to use the System and the Licensed Marks in connection with the operation of a franchised Speed Queen Store;

WHEREAS, SQLF and its Affiliates intend to develop, use, and control the use of the Licensed Marks to identify for the public the source of services and products marketed under the System and the System’s high standards of quality, identity and service;

WHEREAS, Franchisee understands and acknowledges the importance of SQLF’s high standards of quality, cleanliness, appearance and service and the necessity of operating the Franchised Business (as defined below) in conformity with SQLF’s standards and specifications; and

WHEREAS, Franchisee has conducted an independent investigation of the business contemplated by this Agreement and recognizes that, like any other business, the nature of the business conducted at a Speed Queen Store may evolve over time, that an investment in a Speed Queen Store involves business risks and that the success of the venture is largely dependent on Franchisee’s business abilities and efforts.

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

1. DEFINITIONS

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

A. AFFILIATE

The “Affiliate” of a named person or entity means any person or entity that is controlled by, controlling, or under common control with, the named person or entity.

B. AREA DEVELOPMENT AGREEMENT

If applicable, the term “Area Development Agreement” means the agreement executed by SQLF and Franchisee (or its Affiliate) pursuant to which Franchisee (or its Affiliate) was granted the right to develop multiple Speed Queen Stores in a Development Area (as that term is defined in the Area Development Agreement).

C. COMPETITIVE BUSINESS

“Competitive Business” means any commercial laundromat which offers and sells products or services now or in the future offered and sold by Speed Queen Stores or any business which looks like, copies, imitates, or operates in a manner similar to a Speed Queen Store but does not apply to: (1) the ownership or operation of a Speed Queen Store by or pursuant to written agreements with, or written authorization from, SQLF or its Affiliates; (2) the ownership of shares of a class of securities that are listed on a stock exchange or traded on the over-the-counter markets and that represent less than one percent of that class of securities.

D. CONFIDENTIAL INFORMATION

“Confidential Information” means all information relating to the establishment and operation of the Franchised Business, including, without limitation: (1) the Specifications; (2) marketing plans; (3) research, development and test programs for products, services and operations; (4) contents of the Operations Manual; (5) knowledge of the operating and financial results of any Speed Queen Store other than the Franchised Business; (7) computer programs and system; and (8) any improvements to the System.

E. FRANCHISED BUSINESS

“Franchised Business” means the Speed Queen Store operated by Franchisee at the Premises pursuant to this Agreement.

F. GROSS SALES

“Gross Sales” means all revenue from the sale of all services and products and all other income of every kind and nature (including stored value gift cards and gift certificates when redeemed but not when purchased, on-premises sales, sales of pick-up and delivery services, outsourced services sales or commercial account sales, and any other type of sale) related to the

Franchised Business, whether for cash or credit and regardless of collection in the case of credit. Gross Sales shall not include: (1) any bona fide documented national, regional, or local sales taxes collected by Franchisee from customers and paid by Franchisee to the appropriate taxing authority; (2) the sale of services for which refunds have been made in good faith to customers; (3) the sale of fixtures, furnishings, equipment, signage, emblems, lettering, logos, and display materials used in the operation of the Franchised Business; and (4) customer promotional discounts approved by SQLF.

G. NON-TRADITIONAL VENUE

“Non-Traditional Venue” means a Speed Queen Store located at a facility where the primary function is not a laundromat business, such as (but not limited to) a college or university, private business, factory, hospital, penal institution, military base, or airport.

H. OPERATIONS MANUAL

“Operations Manual” means any and all handbooks, manuals, or other materials whether written or electronic, that SQLF grants access to Franchisee during the term of this Agreement which contain Specifications, suggestions or recommendations for the operation of Speed Queen Stores and other related information.

I. PREMISES

“Premises” means the location specified in Exhibit A where the Franchised Business shall be operated.

J. PRINCIPALS

“Principals” means collectively and individually: (1) any officer or director of Franchisee (including the officers and directors of any general partner of Franchisee); (2) any managing member or manager if Franchisee is a limited liability company; and (3) any person or entity directly owning and/or controlling 10% or more of the outstanding equity interests of Franchisee. The initial Principals are identified in Exhibit A to this Agreement.

K. SPECIFICATIONS

“Specifications” shall mean the equipment, standards, requirements, operating procedures and specifications promulgated from time to time by SQLF, through the Operations Manual or otherwise in writing, for any aspect of owning, developing and operating Speed Queen Stores.

L. SYSTEM

“System” means the comprehensive methods and procedures for the establishment, management and operation of the Speed Queen Store, including Confidential Information, the Operations Manual, the Licensed Marks and other business standards and policies, the distinguishing characteristics of which include, without limitation: the Specifications; quality and consistency of the products and service offered; procedures for inventory, management and

financial controls; training and assistance; and marketing programs; all of which SQLF may change, improve, further develop or modify throughout the term of this Agreement.

M. TRADE SECRET

“Trade Secret” means information or data about SQLF or any of its products, including but not limited to, technical or non-technical data, formulae, methods, techniques, drawings, processes, financial data, financial plans, product and promotion plans, and lists of actual or potential advertisers, customers or suppliers, that: (i) derives economic value, actual or potential, from not being generally known to, or generally ascertainable by proper means by other persons who can obtain economic value from their disclosure or use; and (ii) is a subject of efforts that are reasonable under the circumstances to maintain its secrecy.

2. GRANT OF FRANCHISE

A. SQLF hereby grants to Franchisee, subject to the provisions contained in this Agreement, the right and license, and Franchisee hereby accepts the right and obligation, to own and operate the Franchised Business utilizing the System and the Licensed Marks at and only at the Premises. The operation of the Franchised Business at the Premises by Franchisee is restricted to sales of the products and services approved by SQLF. The term of this Agreement commences on the Effective Date and expires on the 10th anniversary of the date the Franchised Business opened for business.

B. When this Agreement is signed, if Franchisee has not yet obtained (and SQLF has not yet approved in writing) a location for the Franchised Business, then:

(1) Franchisee agrees to enter into the site selection addendum (the “Site Selection Addendum,” attached as Exhibit E to this Agreement) at the same time as Franchisee signs this Agreement; and

(2) Franchisee will then find a site which will become the Premises after SQLF has given Franchisee its written approval for that site and Franchisee has obtained the right to occupy the Premises, by lease, sublease, or acquisition of the property, all subject to SQLF’s prior written approval and in accordance with the Site Selection Addendum.

C. While this Agreement is in effect, as long as Franchisee is not in default beyond any applicable cure period, Franchisor will not establish a Speed Queen Store or license anyone other than Franchisee to establish a Speed Queen Store within the Territory (defined in the Data Sheet attached to this Agreement as Exhibit A), subject to the rights reserved in Section 2.D. below.

D. Notwithstanding the rights granted in 2.A., SQLF (on behalf of itself and its Affiliates) retains the right, in its sole discretion and without granting any rights to Franchisee:

(1) to operate (on its own or through one or more of its Affiliates), or to grant other persons the right to operate, Speed Queen Stores at locations and on terms SQLF deems appropriate outside the Territory;

(2) to offer and sell equipment and other products and services authorized for Speed Queen Stores under the Licensed Marks through the Internet, telemarketing, direct marketing, SQLF's authorized distribution network and other distribution methods as selected by SQLF from time to time;

(3) to offer and sell commercial laundry equipment and related products and services under the Licensed Marks to anyone, anywhere (including operators of competitive commercial laundromats in the Territory);

(4) to offer and sell the products and services authorized for Speed Queen Stores under any names, marks and commercial symbols other than the Licensed Marks;

(5) to offer and sell the products and services authorized for Speed Queen Stores under the Licensed Marks in a Non-Traditional Venue;

(6) to market and promote and to grant other persons the right to market and promote the System in the Territory, including by electronic or digital means, such as Internet websites;

(7) to own, operate or license others to own and operate, other laundromat and/or dry cleaning concepts, provided the other concepts do not use the Licensed Marks;

(8) to acquire the assets or ownership interest of one or more businesses providing products and services similar to those provided at Speed Queen Stores, and to franchise, license or create similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or the licensees of these businesses) are located or operating; and

(9) to be acquired (whether through acquisition of assets, ownership interest or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at Speed Queen Stores.

3. FRANCHISEE REPRESENTATIONS AND OBLIGATIONS

A. If Franchisee is an entity, Franchisee makes the following representations, warranties and covenants and accepts the following continuing obligations:

(1) Franchisee is duly organized and validly existing under the law of the jurisdiction of its formation;

(2) Franchisee is duly qualified and is authorized to do business in each jurisdiction which requires such qualification;

(3) the execution and performance of this Agreement are within Franchisee's power and have been properly authorized under Franchisee's governing documents;

(4) Franchisee has provided SQLF copies of entity and organizational documents;

(5) Franchisee will maintain and provide to SQLF a current list of all owners of record and all beneficial owners of Franchisee, along with a list of all officers, directors and managers (see Exhibit A for current list); and

(6) Franchisee shall include stop transfer restrictions on any certificate (or similar evidence) of ownership.

B. If Franchisee is an entity, Franchisee must designate an individual, who is approved by SQLF, to serve as the person who is fully authorized and designated to act on behalf of Franchisee with respect to all communications and other interactions between Franchisee and SQLF (the "Representative"). The Representative must: (1) devote substantial time to the supervision and conduct of the Franchised Business; and (2) meet SQLF's standards and criteria for a Representative as set forth in the Operations Manual or otherwise in writing by SQLF. If, during the term of this Agreement, the Representative is not able to continue to serve in this capacity or no longer qualifies, Franchisee must promptly notify SQLF and designate a replacement Representative within 30 days after the Representative ceases to serve or be so qualified. The current Representative is identified in Exhibit A; any replacement Representative must be approved by SQLF and added to Exhibit A.

C. Any owner of Franchisee that holds a beneficial ownership interest equal to or greater than 10% must execute a personal guaranty in SQLF's then-current form.

4. SITE SELECTION

A. As provided in Section 2.B. above, if Franchisee does not have (and SQLF has not approved in writing) a location for the Franchised Business as of the Effective Date, then Franchisee must find and obtain the right to occupy (by lease, sublease, or acquisition of the property) a site that SQLF finds acceptable to serve as the Franchised Business, all in accordance with the Site Selection Addendum.

B. Franchisee agrees to provide SQLF with a copy of the proposed lease, sublease, or purchase agreement for the Premises, and Franchisee agrees not to enter into that lease, sublease, or purchase agreement until Franchisee has received SQLF's written approval. SQLF has the right to condition its approval of the lease, sublease, or purchase agreement upon the inclusion of terms that SQLF finds acceptable and that are consistent with SQLF's rights and Franchisee's responsibilities under this Agreement, including without limitation, that Franchisee and the landlord execute a Lease Rider in the form attached to this Agreement as Exhibit C. Franchisee also agrees to provide SQLF with a copy of the fully signed lease, including a signed lease rider, before Franchisee begins construction or renovations at the Premises.

C. Any reviews that SQLF conducts of the proposed site, lease, and other details concerning Franchisee's site are for SQLF's benefit only. In addition:

(1) Franchisee acknowledges and agrees that SQLF's review and even SQLF's approval of a site, lease, sublease, design plans or renovation plans for the Franchised Business does not constitute a recommendation, endorsement, or guarantee of the suitability of that location or the terms of the lease, or sublease, or purchase agreement.

(2) Franchisee agrees to take all steps necessary to determine for itself whether a particular location and the terms of any lease, sublease, or purchase agreement for the site are beneficial and acceptable to Franchisee. Additionally, no matter to what extent (if any) that SQLF participates in any lease or purchase negotiations, discussions with the landlords or property owners, and/or otherwise in connection with reviewing the lease or purchase agreement, Franchisee has to make the final decision as to whether or not the proposed contract is sensible for Franchisee's business, and the final decision as to whether or not to sign the lease or purchase agreement is Franchisee's, and SQLF will not be responsible for the terms and conditions of Franchisee's lease or purchase agreement.

D. Notwithstanding the foregoing, Franchisee may request that SQLF and/or its Affiliate provide Franchisee with more comprehensive site selection assistance, however, SQLF and/or its Affiliate are under no obligation to do so. If SQLF agrees to provide Franchisee with more comprehensive site selection assistance, Franchisee shall execute any documentation and pay any fees or other amounts required by SQLF.

E. Notwithstanding the foregoing, SQLF may identify sites for Speed Queen Stores and enter into leases for such locations. If SQLF has identified a site and Franchisee decides to take over that site from SQLF, Franchisee shall execute any documentation and pay any fees or other amounts required by SQLF.

5. DEVELOPMENT OF PREMISES AND OPENING OF FRANCHISE

A. DEVELOPMENT OF PREMISES

SQLF shall have the right to require that Franchisee use SQLF's designated designer to provide the layout and design for the Premises. If SQLF's designated designer completes the layout and design, SQLF shall choose an architect to complete the work drawings based on the layout and design or, if SQLF waives its right to choose the architect, then Franchisee shall choose an architect that meets SQLF's Specifications to complete the working drawings based on the layout and design. If SQLF does not require Franchisee to use SQLF's designated designer, SQLF will furnish Franchisee its then-current prototype plans and other Specifications for a Speed Queen Store, reflecting SQLF's requirements for dimensions, interior design and layout, image, building materials, fixtures, equipment, furniture, signs and decor. Franchisee must hire a contractor that has been previously approved in writing by SQLF. Franchisee must submit the final plans for the Premises (including all mechanical, plumbing and engineering) to SQLF for approval. If SQLF determines, in its sole discretion, that any final plans are not consistent with SQLF's Specifications, SQLF may prohibit implementation of those plans. SQLF's approval or objection

to the plans shall be sent to Franchisee in writing, within 30 days after receipt of those plans. SQLF must approve or reject the revised plans within 30 days of receipt. Franchisee is solely responsible for the accuracy of the plans and the integrity of the construction of the Franchised Business. Franchisee acknowledges and agrees that SQLF's review of the plans is only for the purpose of ensuring compliance with SQLF's Specifications and that SQLF's approval of the plans does not constitute a representation, warranty or guarantee, express or implied, that the plans are accurate, free of error, or in compliance with local laws and zoning requirements.

Promptly after signing a lease or closing on a purchase of the Premises, Franchisee shall:

(1) Prepare and submit to SQLF for approval any proposed additional modifications to the approved plans which may be modified only to the extent necessary to comply with applicable ordinances, building codes, permit requirements and lease or deed requirements and restrictions, all modifications being subject to prior notification to, and approval by, SQLF;

(2) Obtain all required zoning and building classifications which may be required by any laws, ordinances, regulations or restrictive covenants relating to the construction and operation of the Franchised Business at the Premises and obtain all utility, sign, health, sanitation, and business permits and licenses, and any other required permits and licenses; and

(3) Promptly commence and diligently pursue construction of all required improvements to the Premises, purchase and install all required fixtures and equipment and decorate the Premises in compliance with the plans and specifications approved in writing by SQLF and all applicable ordinances, building codes, permit requirements and lease or deed requirements and restrictions.

B. FIXTURES, EQUIPMENT, FURNITURE AND SIGNS

Franchisee shall purchase all commercial laundry equipment from approved vendors as designated by SQLF (which may be affiliates of SQLF). Franchisee may only use those types of construction and decorating materials, fixtures, equipment, furniture, and signs that SQLF has approved or designated in the Operations Manual for Speed Queen Stores as meeting its Specifications for appearance, function and performance. Franchisee may purchase approved or designated types of construction and decorating materials, fixtures, equipment, furniture and signs from any supplier approved or designated by SQLF (which may include SQLF and/or its Affiliates). If Franchisee proposes to purchase any type of construction or decorating material, fixture, equipment, furniture or sign not then approved by SQLF, or any items from any supplier not then approved by SQLF, then in each instance, Franchisee must first notify SQLF in writing and must submit to SQLF sufficient specifications, photographs, drawings and/or other information or samples for a determination by SQLF of whether (1) the type of construction or decorating material, fixture, equipment, furniture or sign is approved by SQLF for the relevant project, and (2) the supplier is approved by SQLF for the relevant project, which determination SQLF will make and communicate in writing to Franchisee within a reasonable time.

C. FRANCHISE OPENING

Franchisee shall not open for business and begin selling any services to customers or otherwise without: (1) obtaining SQLF's prior written approval; and (2) complying with the requirements of this Agreement and any applicable criteria specified in the Operations Manual. Franchisee shall open the Franchised Business within 12 months after the Effective Date of this Agreement. SQLF will notify Franchisee of dates for training and opening the Franchised Business. Franchisee's failure to open in a timely manner the Franchised Business will be deemed a material default under this Agreement.

D. RELOCATION OF FRANCHISE

Franchisee will not relocate the Franchised Business without the prior written consent of SQLF. If Franchisee's lease for the Premises expires or terminates without fault of Franchisee, or if in the judgment of SQLF, there is a change in the character of the Premises sufficiently detrimental to warrant its relocation, SQLF will grant permission for relocation of the Premises to a new location that is approved by SQLF. Any relocation must be at Franchisee's sole expense, and Franchisee must pay SQLF a relocation fee specified in Exhibit A. If Franchisee elects to relocate the Premises, then Franchisee must comply with the site selection and development and opening procedures set forth in this Agreement.

E. PROGRESS REPORTS

Franchisee must provide SQLF written status reports regarding the progress of construction or remodeling of the Premises in accordance with SQLF's then-current Specifications.

F. CONSTRUCTION PROJECT MANAGEMENT SERVICES

Notwithstanding the foregoing, Franchisee may request that SQLF and/or its Affiliate provide Franchisee with more comprehensive construction project management services, however, SQLF and/or its Affiliate are under no obligation to do so. If SQLF agrees to provide Franchisee with more comprehensive project management services, Franchisee shall execute any documentation and pay any fees or other amounts required by SQLF.

6. TRAINING AND OPERATING ASSISTANCE

A. TRAINING

At no charge to Franchisee, SQLF will provide Franchisee (or the Representative if Franchisee is an entity) with an initial training program (the "Initial Training Program") on the operation of a Speed Queen Store. SQLF will conduct the Initial Training Program at a location designated by SQLF. Franchisee shall be solely responsible for all compensation, travel, lodging and living expenses incurred by Franchisee (or the Representative) to attend the Initial Training Program. Franchisee must attend and complete the Initial Training Program to SQLF's satisfaction prior to opening the Franchised Business. If SQLF determines that any individual cannot complete the Initial Training Program to SQLF's satisfaction, SQLF may require that Franchisee designate

a replacement to successfully complete the Initial Training Program. SQLF reserves the right to disapprove of any individual who fails to complete training to the satisfaction of SQLF. SQLF shall have the right to alter any of its training programs in length, content, and location to meet the changing needs of the System.

B. HIRING AND TRAINING OF EMPLOYEES BY FRANCHISEE

Franchisee acknowledges and agrees that it is solely responsible for the hiring of all of its employees and the terms of their employment and their supervision, management, compensation and training (other than training specifically provided by SQLF) and has sole control over working hours, benefits, wages, and other employment policies.

C. MAINTENANCE OF THE PREMISES

Franchisee shall maintain the Premises in a high degree of sanitation and repair and shall make such repairs and replacements as may be required by SQLF, in its sole discretion, including, without limitation, periodic repainting or replacement of signs, furnishings, decor, flooring and damaged equipment and computer systems. No alterations, improvements or changes of any kind in design, equipment, signs, interior or exterior décor items, fixtures or furnishings shall be made in or about the Franchised Business without the prior written approval of SQLF.

In addition, Franchisee must, upon the request of SQLF, make other non-capital improvements to modernize and upgrade the Premises, equipment (including electronic cash register or computer hardware and software systems), signs, fixtures, furnishings, supplies and other products required for the operation of the Franchised Business to SQLF's then-current Specifications.

D. UPGRADE OF PREMISES

Except for laundry equipment as noted in Section 6.E., SQLF may require Franchisee to make reasonable capital improvements to the Premises to conform the Premises to SQLF's then-current Specifications, including any furniture, fixtures, supplies and other products and materials, subject to such upgrades being imposed not more often than every five (5) years throughout the term of the agreement.

E. LAUNDRY EQUIPMENT

Unless Franchisee is required to replace or repair equipment due to normal wear and tear, Franchisee will be required to replace the commercial laundry equipment at the Store not more often than every ten (10) years. Since the Initial Term of this Agreement is ten (10) years, at renewal of this Agreement, SQLF will advise Franchisee when the equipment will need to be replaced and the parties will agree to a schedule for such replacement. Franchisee agrees that the term of the renewal franchise agreement, lease and other documents for the Store may need to be modified based upon the timing for replacement of the commercial laundry equipment

F. OPERATIONS REVIEWS

SQLF may (but is not obligated to) make inspections from time to time and advise Franchisee of operating deficiencies at the Franchised Business.

G. OPERATIONS MANUAL

During the term of this Agreement, SQLF will give Franchisee access to the Operations Manual. SQLF may make the Operations Manual available electronically. The Operations Manual may consist of one or more handbooks or manuals, including, without limitation, a marketing manual for promoting the Franchised Business through social media websites and other mediums. The Operations Manual contains mandatory Specifications and recommendations relating to the operation of Speed Queen Stores. SQLF has the right to add to, and otherwise modify, the Operations Manual to reflect changes in authorized products and services and other Specifications, and Franchisee must take the necessary steps to implement such modifications at the Franchised Business. Franchisee must keep its copy of the Operations Manual current. If there is a dispute between SQLF and Franchisee regarding the contents of the Operations Manual, SQLF maintains the master copy and that copy shall control, provided that SQLF has delivered to Franchisee, including by electronic means, a legible copy of any relevant update, change, addendum, addition or revision.

7. LICENSED MARKS

A. OWNERSHIP AND GOODWILL

Franchisee expressly acknowledges and agrees that:

(1) SQLF (or its Affiliate) is the owner of all right, title and interest in and to the Licensed Marks and the goodwill associated with and symbolized by the Licensed Marks;

(2) Franchisee has no ownership interest whatsoever in or to the Licensed Marks, and Franchisee's right to use the Licensed Marks is derived solely from this Agreement and is conditioned upon Franchisee's operation of the Franchised Business in compliance with this Agreement and all Specifications;

(3) any unauthorized use of the Licensed Marks by Franchisee constitutes an infringement of the rights of SQLF and its Affiliates in and to the Licensed Marks;

(4) all usage of the Licensed Marks by Franchisee and any goodwill related to such use exclusively benefits SQLF and does not confer any goodwill or other interests in the Licensed Marks upon Franchisee;

(5) Franchisee shall not, at any time during the term of this Agreement or after its termination or expiration, contest the validity or ownership of any of the Licensed Marks or assist any other person in contesting the validity or ownership of any of the Licensed Marks;

(6) Franchisee and its Principals shall not take any action that prejudices or interferes with the validity of SQLF's rights with respect to the Licensed Marks; and

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

B. USE OF THE LICENSED MARKS

(1) The Licensed Marks shall be the sole identification of the Franchised Business. Franchisee must operate and market the Franchised Business only under the name "Speed Queen" without prefix or suffix. Franchisee must not use the Licensed Marks as part of its corporate or other legal name and must not use the Licensed Marks with modifying words, terms, designs or symbols, or in any modified form.

(2) Franchisee must comply with SQLF's instructions in filing and maintaining trade name or fictitious name registrations.

C. RESTRICTIONS ON INTERNET AND WEBSITE USE

Except as SQLF may authorize or direct in writing including in the Operations Manual, Franchisee shall not in any way: (1) link to or frame SQLF's website; (2) conduct any business or offer to sell or market any products or services through the Internet; (3) create or register any Internet domain name in connection with the Franchised Business; (4) use the Licensed Marks in any domain name or on any Internet website or any other unauthorized manner; (5) promote the Franchised Business on any Internet website; or (6) post any material on the Internet that depicts or displays the Licensed Marks or suggests an association with the System. SQLF may require that Franchisee install and maintain hardware and software to allow Franchisee to access the Internet, and if required by SQLF, Franchisee will comply with such requirements. SQLF may direct Franchisee, through a marketing manual, social media websites policy or other provisions in the Operations Manual or otherwise in writing, to use the Internet, including social media websites and other opportunities, in connection with the marketing and promotion of the Franchised Business. The form, content and appearance of any Internet use by Franchisee related to the Franchised Business or the System must comply with the Specifications and must be approved by SQLF in writing before being used by Franchisee.

Franchisee shall not, and shall cause its employees and Principals not to, without SQLF's express written consent, which may be withheld by SQLF in its sole discretion, post, contribute, or author any content on any website or social media website or communicate with any media outlet or organization in a manner that:

(1) makes any statement which disparages, ridicules or is derogatory of the System, the Licensed Marks, SQLF or its Affiliates, or any of their owners, officers, employees, agents, consultants, attorneys or representatives, or any other franchisee in the System, or the owners, officers, employees, agents, consultants, attorneys or representatives of any franchisee in the System;

(2) pertains in any way to health or safety conditions at a Speed Queen Store;
or

(3) pertains to any litigation pending or threatened against SQLF or its Affiliates, or any of their owners, officers, employees, agents, consultants, attorneys or representatives or any franchisee in the System.

D. NOTIFICATION OF INFRINGEMENT AND CLAIMS

Franchisee must notify SQLF immediately in writing of any apparent infringement of or challenge to Franchisee's use of any Licensed Mark, or claim by any person of any rights in any Licensed Mark or any similar trade name, trademark or service mark of which Franchisee becomes aware. Franchisee must not communicate with any person other than SQLF and its counsel in connection with any infringement, challenge or claim. SQLF and/or its licensor has sole discretion to take any action it deems appropriate and the right to exclusively control any litigation or other proceeding arising out of any infringement, challenge or claim or otherwise relating to any Licensed Mark. Franchisee shall execute all documents, render assistance and do all that may be necessary or advisable to protect and maintain the interests of SQLF and its Affiliates in any litigation or other proceeding or to otherwise protect and maintain the interests of SQLF and its Affiliates in the Licensed Marks.

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

SQLF shall indemnify Franchisee against, and reimburse Franchisee for: (1) all damages for which Franchisee is held liable in any proceeding brought by a third-party in which Franchisee's use of any Licensed Mark is held to constitute trademark infringement, unfair competition, or dilution and (2) all costs Franchisee reasonably incurs in the defense of any claim brought against Franchisee or in any proceeding in which Franchisee is named as a party; provided that, Franchisee timely notifies SQLF of the claim or proceeding and has otherwise complied with this Agreement and that SQLF has the opportunity to defend such claim. If SQLF defends the claim, SQLF has no obligation to indemnify or reimburse Franchisee with respect to any fees or disbursements to any separate attorney retained by Franchisee.

If in SQLF's sole discretion, it becomes advisable for SQLF and/or Franchisee to modify or discontinue use of any Licensed Mark, and/or use one or more additional or substitute trademarks or service marks, Franchisee agrees to comply with such direction from SQLF within a reasonable time after receiving such direction from SQLF, at Franchisee's expense.

8. CONFIDENTIAL INFORMATION

A. Franchisee acknowledges that SQLF may share Confidential Information with Franchisee in various formats, including without limitation, training programs, the Operations Manual and in guidance furnished to Franchisee. Accordingly, Franchisee agrees that it will:

- (1) not use the Confidential Information or Trade Secrets in any other business or capacity;
- (2) maintain the absolute confidentiality of the Confidential Information during and after the term of this Agreement;
- (3) not make unauthorized copies of any portion of the Confidential Information disclosed in written form;
- (4) adopt and implement all reasonable procedures SQLF prescribes to prevent unauthorized use or disclosure of the Confidential Information; and
- (5) require all Principals and members of Franchisee's management team to sign a confidentiality agreement in a form approved by SQLF (the current form of which is attached to this Agreement as Exhibit B).

B. Franchisee may divulge and make Confidential Information available to Franchisee's employees who must have access to it in order to operate the Franchised Business. Except as is reasonably necessary to operate the Franchised Business, Franchisee shall not at any time copy, duplicate, record or otherwise reproduce Confidential Information, in whole or in part, or otherwise make the same available to any unauthorized person, without the prior written consent of SQLF.

C. Franchisee shall at all times treat the Operations Manual and any other materials created for, or approved for use in, the Franchised Business as Confidential Information. The Operations Manual, written directives, and any other written Confidential Information shall be kept in a secure place at the Premises and shall be returned to SQLF immediately upon request or upon termination or expiration of this Agreement.

D. Franchisee acknowledges and agrees that all of the Confidential Information it now has or obtains in the future are derived from SQLF pursuant to this Agreement, and that Franchisee shall not, without the written consent of SQLF, disclose such Confidential Information or use it for Franchisee's own benefit (or the benefit of any person or entity other than SQLF and its Affiliates) during and after the term of this Agreement.

E. The restrictions on Franchisee's disclosure and use of the Confidential Information will not apply to: (1) information, processes or techniques which are or become generally known in the commercial laundry services industry, other than through disclosure (whether deliberate or inadvertent) by Franchisee or its Principals or its management team; or (2) disclosure of Confidential Information that Franchisee is required to disclose by law or by court order, provided Franchisee has used its best efforts not to disclose such information, and has afforded SQLF the opportunity to obtain an appropriate protective order or other assurance satisfactory to SQLF of the confidential treatment for the information required to be disclosed.

F. Franchisee shall not seek to develop, nor shall Franchisee use, implement or conduct any test or study regarding any new, changed or localized concept, process or

improvement relating to any aspect of the System without the approval of SQLF. If Franchisee develops any new, changed or localized concept, process or improvement relating to any aspect of the System, whether or not with the approval of SQLF, Franchisee, at Franchisee's sole expense, shall promptly: (1) notify SQLF and provide SQLF with all information regarding such concept, process or improvement and any test, study or recommendation in connection therewith, all of which information at all times (a) shall be the exclusive property of SQLF, (b) shall be Confidential Information and (c) may, in the discretion of SQLF, be incorporated into the System or used, licensed or transferred for the benefit of third parties without any payment to or permission of Franchisee, whose only rights or interests in and to such information and such concept, process or improvement shall derive exclusively from this Agreement; (2) take all actions that SQLF may from time to time determine to be necessary or desirable to perfect exclusive ownership of such concept, process or improvement in SQLF; and (3) refrain from using or implementing such concept, process or improvement in connection with the Franchised Business or otherwise until approved by SQLF.

9. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION

A. The parties understand and agree that this Agreement does not create a fiduciary relationship between them, that Franchisee is an independent contractor and that nothing in this Agreement makes either party a general or special agent, legal representative, subsidiary, joint venture, partner, employee or servant of the other for any purpose. Franchisee agrees that: (1) this Agreement (and the relationship of the parties that is inherent in this Agreement) grants SQLF the discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with its explicit rights and obligations under this Agreement that may affect favorably or adversely Franchisee's interests; (2) SQLF will use its judgment in exercising the discretion based on its assessment of its own interests and balancing those interests against the interests of SQLF's franchisees generally, and specifically without considering Franchisee's individual interests or the individual interests of any other particular franchisee; (3) SQLF will have no liability to Franchisee for the exercise of SQLF's discretion in this manner, so long as the discretion is not exercised in bad faith; and (4) in the absence of bad faith, no trier of fact in any arbitration or litigation shall substitute its judgment for SQLF's judgment so exercised.

B. Franchisee must identify itself at the Premises and in all dealings with customers, lessors, contractors, suppliers, public officials and others as the owner of a franchised Speed Queen Store, and must place other notices of independent ownership on signs, forms, stationery, marketing and other materials as SQLF requires.

C. Franchisee understands and agrees that nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty or representation on SQLF's behalf, or to incur any debt or other obligation in SQLF's name and that SQLF shall not have any liability for, or be deemed liable under this Agreement as a result of, any action or omission by Franchisee in the conduct of its business pursuant to this Agreement or any claim or judgment arising therefrom.

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

E. Franchisee shall, at all times, indemnify and hold harmless, to the fullest extent permitted by law, SQLF and its Affiliates, successors and assigns and their officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees from all losses, expenses, liability, taxes, damages (actual or consequential) and costs (including reasonable accountants', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses) (collectively, the "Losses") which any of them may suffer, sustain or incur by reason of, arising from or in connection with any of the following:

(1) Franchisee's ownership or operation of the Franchised Business, unless the Losses are finally determined have been caused solely by SQLF's gross negligence or willful misconduct;

(2) Any infringement or alleged infringement of, or violation of the right to use, any Licensed Mark by Franchisee or any Principal;

(3) Any libel, slander or any other form of defamation of the System, or any other franchisee operating under the System, by Franchisee or any Principals; or

(4) Any breach by Franchisee (or any of its Affiliates) of any warranty, representation, agreement or obligation in this Agreement or any other agreement with SQLF (or any of its Affiliates).

Upon the occurrence of any event giving rise to a claim for indemnification, Franchisee shall give SQLF prompt notice of such event. Upon receipt of such notice, SQLF may elect to assume (but under no circumstances is obligated to undertake) the defense and/or settlement of any action, suit, proceeding, claim, demand, inquiry or investigation. Any such undertaking by SQLF shall not diminishes the obligation of Franchisee to indemnify SQLF. All Losses incurred under this Section 9 shall be chargeable to and paid by Franchisee regardless of any actions, activity or defense undertaken by SQLF or the subsequent defense or failure of these actions, activity, or defense.

The terms of this Section 9 shall survive the termination, expiration or transfer of this Agreement or any interest herein.

10. FEES

A. INITIAL FEE

Franchisee must pay to SQLF the initial franchise fee in accordance with the payment terms set out in Exhibit A (the "Initial Franchise Fee"). If Franchisee and Franchisor cannot mutually agree upon a site for the Franchised Business within six (6) months of the Effective Date of this Agreement, the Initial Franchise Fee will be refunded. Otherwise, the Initial Franchise Fee is fully earned by SQLF upon payment by Franchisee and is not refundable.

B. ROYALTY FEE

Franchisee must pay to SQLF a continuing non-refundable royalty fee in accordance with the payment terms specified in Exhibit A (the “Royalty Fee”). For the first consecutive three months that Franchisee operates the Branded Business, for purpose of calculating Gross Sales for payment of the Royalty Fee, Franchisee may deduct from Gross Sales any amount for promotions that have been (1) approved by Franchisor and (2) are provided directly to customers. Franchisee must provide any documentation requested by Franchisor relating to the deductions for promotions and Franchisor has the right to disallow any deductions.

C. TECHNOLOGY FEE

Franchisee must pay to SQLF a technology fee (the “Technology Fee”) in accordance with the payment terms set out in Exhibit A. The Technology Fee covers expenses related to Franchisee’s access to the cloud platform, machine management software, and various applications used in the operation of the Franchised Business.

D. SUPPLEMENTAL TRAINING

If SQLF requires Franchisee and its business managers to attend and successfully complete any refresher training courses and/or additional training programs, Franchisee must pay SQLF a supplemental training fee in accordance with the payment terms set out in Exhibit A. In addition, Franchisee is solely responsible for the compensation, travel, lodging and living expenses for Franchisee and its business managers in connection with the attendance at the supplemental training.

E. INSPECTION FEES

If any examination or audit pursuant to Section 16.A. discloses an understatement of Gross Sales, Franchisee must pay to SQLF, within 30 days after receipt of the examination or audit report, the Royalty Fees, Marketing Fund Contributions, Technology Fee, and any other fees due on the amount of the understatement, plus interest (at the rate and on the terms provided in this Agreement) from the date originally due until the date of payment. Further, if the examination or audit is made necessary by the failure of Franchisee to furnish reports, supporting records, financial statements or other documents or information, as required, or failure to furnish reports, records, financial statements, documents or information on a timely basis, or if an understatement of Gross Sales for any month is determined by any examination or audit to be greater than 2%, Franchisee must reimburse SQLF for all costs of the audit or examination, including, without limitation, the charges of any independent accountants and the travel expenses, room and board and compensation of employees of SQLF. Should the results of any examination or audit cause SQLF to determine, in its sole discretion, that further inspection, examination or audit are necessary, Franchisee will bear the costs associated with such examination or audit.

F. ELECTRONIC FUNDS TRANSFER

Franchisee agrees to use the payment method required by SQLF, which is currently electronic funds transfer (“EFT”). Franchisee shall execute the documents required by SQLF (attached at Exhibit D) or required by the bank for EFT. SQLF will withdraw funds from Franchisee’s designated bank account by EFT on due dates. It is a material default of this Franchise Agreement if Franchisee closes the designated bank account without first notifying SQLF, establishing another account, and executing all documents necessary for SQLF to process payments by EFT for the new designated account.

11. OTHER PAYMENTS AND SECURITY

A. SECURITY INTEREST IN THE SPEED QUEEN STORE

Unless Franchisee has already granted a security interest in the assets of the Franchised Business pursuant to an independent financing arrangement between Franchisee and SQLF or one of its Affiliates, Franchisee hereby grants SQLF a security interest in all of the assets of the Franchised Business, including but not limited to inventory, fixtures, furniture, equipment, accounts, supplies, contracts, and proceeds and products of all those assets as security for the performance of Franchisee’s obligations under this Agreement, including all payments owed to SQLF. Franchisee agrees that SQLF may file a UCC-1 to perfect the security interest granted. If Franchisee defaults in any of Franchisee’s obligations under this Agreement, SQLF may exercise all rights of a secured creditor granted to SQLF by law, in addition to SQLF’s other rights under this Agreement and at law. Franchisee will not grant a security interest in the Franchised Business or in any of its assets to any party other than SQLF without SQLF’s prior written consent. In connection with any request for SQLF’s consent, the secured party will be required to enter into an agreement with SQLF that ensures orderly transition of management control of the Franchised Business in the event of default by Franchisee under any documents related to the security interest.

B. INTEREST ON LATE PAYMENTS

Amounts due but not paid timely shall accrue interest at either the greater of: (a) three hundred (300) basis points above the prime interest rate charged at the main branch of Citibank in New York, New York; or (b) three hundred (300) basis points above the prime interest rate quoted in the New York edition of The Wall Street Journal on the date when payment was due (or the date when payment is made, whichever rate is higher) (or, if that is not a business day, on the prior business day); and (c) one and one-half percent (1.5%) per month without compounding; provided, however, that the interest rate Franchisee pays to SQLF shall not exceed any maximum lawful interest rate then-applicable to Franchisee.

C. TAXES

Franchisee shall indemnify SQLF for all taxes or fees imposed on SQLF by the state or local jurisdiction where the Premises is located as a result of the conduct of the Franchised Business within such state or jurisdiction or the license of the Licensed Marks or other intellectual property to Franchisee by SQLF.

D. COSTS AND ATTORNEYS' FEES

If a claim for amounts owed by Franchisee to SQLF or any of its Affiliates is asserted in any legal proceeding before a court of competent jurisdiction or arbitrator, or if SQLF or Franchisee is required to enforce this Agreement in a judicial or arbitration proceeding, the party prevailing in the proceeding is entitled to reimbursement of its costs and expenses incurred, including reasonable accounting and legal fees.

12. IMAGE AND OPERATING STANDARDS

A. MAINTAINING CONSISTENT STANDARDS

Franchisee agrees that it is important to maintain consistent standards among all Franchises and agrees to comply with all of SQLF's required Specifications relating to the operation of the Franchised Business. Depending on the nature of the Specification, SQLF may establish procedures or guidelines to assist Franchisee in meeting or complying with the Specification. SQLF will establish Specifications that impact the presentation of the SQLF brand and concept to customers. Without limiting any of its other obligations under this Agreement, Franchisee agrees:

- (1) to sell or offer for sale all products and services SQLF requires, utilizing and complying with the method, manner and style SQLF prescribes;
- (2) to maintain in sufficient supply and to use and sell at all times only approved products and services that conform to SQLF's Specifications and not use or offer unapproved items without SQLF's prior written consent; and
- (3) to use SQLF's designated technology package as specified in the Operations Manual.

B. DAMAGE CAUSED BY CASUALTY

If the Franchised Business is damaged or destroyed by fire or any other casualty, Franchisee must, within 30 days after such event, initiate repairs or reconstruction, and thereafter in good faith and with due diligence continue (until completion) repairs or reconstruction, in order to restore the Premises to its original condition. If, in SQLF's reasonable judgment, the damage or destruction is of a nature or to an extent that it is feasible for Franchisee to repair or reconstruct the Premises in conformance with the then-current décor Specifications required by SQLF for new Speed Queen Store without incurring substantial additional costs, SQLF may require Franchisee, by giving written notice, to repair or reconstruct the Premises in conformance with the then-current décor Specifications.

C. ALTERATIONS TO THE FRANCHISED BUSINESS

Franchisee shall not make any material alteration to the Premises or appearance of the Franchised Business, nor make any unapproved replacements of, or material alterations to, the

fixtures, equipment, furniture or signs of the Franchised Business without prior written approval by SQLF.

D. APPROVED SUPPLIERS AND PRODUCTS

Franchisee shall comply with the Specifications for the purchase of all supplies, materials, fixtures, furnishings, equipment, computer systems and other products used in the operation of the Franchised Business. In the event SQLF has approved or designated suppliers for any such item, including manufacturers, distributors, service providers and other sources, Franchisee agrees to obtain these items from those suppliers. SQLF's approval of designated suppliers is based upon the demonstration on a continuing basis of the ability of a supplier to (1) comply with the Specifications; and (2) exercise adequate quality controls and sufficient capacity to supply the needs of SQLF's franchise network promptly and reliably over an extended period of time. SQLF may designate itself, its Affiliate or a third party as an approved or designated supplier or as the sole approved or designated supplier of any item, in its sole discretion. Franchisee agrees that SQLF and its Affiliates may receive and retain any and all rebates, discounts, e-mail distribution lists, information and other benefits generated based upon Franchisee's purchases and leases including, without limitation, from charging Franchisee for equipment, products and services SQLF or its Affiliates provide to Franchisee and from payments made to SQLF or its Affiliates by suppliers that SQLF designates or approves, and, in SQLF's sole discretion, such funds may be used by SQLF for any purpose. SQLF may publish the Specifications for these required purchases in the Operations Manual and in other written, electronic or digital communications to Franchisee.

If Franchisee desires to purchase any item or use any item or service that has not been approved by SQLF, or if Franchisee wishes to purchase or lease any such item from a supplier that has not been approved by SQLF, Franchisee must submit a written request for approval to SQLF. Franchisee is prohibited from purchasing or leasing any item unless the item and the supplier have been approved in writing by SQLF. SQLF may require Franchisee to submit information, specifications and samples to SQLF to enable SQLF to determine whether (1) the item complies with SQLF's Specifications and (2) the supplier meets SQLF's criteria. SQLF reserves the right to send its representatives to inspect the proposed supplier's facilities and to have samples from the supplier delivered to SQLF or to an independent laboratory designated by SQLF for testing. Franchisee or the proposed supplier may be required to pay a predetermined fee to SQLF for any request for approval and/or pay for the cost of the inspection and of the tests, which may include SQLF's administrative expenses. SQLF may condition its approval of a supplier on requirements relating to product quality, prices, consistency, reliability, financial capability, frequency of delivery, standards of service or any other criteria. SQLF reserves the right to inspect from time to time the facilities and products of any approved supplier and to revoke any approval of any supplier if the supplier fails to continue to meet any of SQLF's criteria. If SQLF revokes the approval of any supplier, Franchisee agrees to immediately discontinue use of that supplier. Franchisee's failure to comply with the provisions of this Section 12.F. will be deemed to be a material default of this Agreement.

SQLF has and may continue to develop certain products and services for the System, which are proprietary to SQLF and which may be identified by the Licensed Marks. In order to maintain

the quality and consistency of production and use of such products in all Speed Queen Businesses and in the System, SQLF shall control the production and distribution of such products. If such products become a part of the System, Franchisee will be required to use only SQLF's proprietary products and Franchisee must purchase such items solely from SQLF or from its Affiliates or from an approved supplier, as SQLF may designate, in its sole discretion.

SQLF may restrict Franchisee from purchasing specific products from anyone other than SQLF, its Affiliates or another single-source supplier designated by SQLF, and if SQLF imposes such restrictions, Franchisee shall purchase all such products pursuant to such restrictions.

E. STANDARDS OF SERVICE

Franchisee must at all times give prompt, courteous and efficient service to its customers. The Franchised Business must, in all dealings with its customers and suppliers and the public, adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. Franchisee must maintain a competent, conscientious, trained staff and take steps necessary to ensure that its employees preserve good customer relations and comply with SQLF's uniform standards.

F. COMPLIANCE WITH LAWS AND GOOD BUSINESS PRACTICES

Franchisee shall obtain and maintain in effect all required licenses, permits and certificates related to the operation of the Franchised Business and shall operate the Franchised Business in full compliance with all applicable federal, state and local laws, ordinances and regulations, including without limitation all government regulations pertaining to (1) licensing and certification; (2) occupational hazards and health; including the Occupational Safety and Health Act; (3) handling and disposing of chemicals and other environmental matters; (4) workers' compensation; (5) insurance; (6) unemployment insurance and withholding; and (vi) federal and state taxes.; and

All marketing and promotion by Franchisee must be completely factual and must conform to the highest standards of ethical marketing. Franchisee agrees to refrain from any business or marketing practice or personal conduct which may be injurious to the business of SQLF and the goodwill associated with the Licensed Marks and the Speed Queen Store.

G. COMPLAINTS, NOTICES

Franchisee will process and handle all government agency, consumer and employee complaints, allegations and claims connected with or relating to the Franchised Business, and will promptly notify SQLF by telephone and in writing of all such matters including: (1) safety or health violations, (2) claims exceeding \$10,000, and (3) any other material notifications, complaints, allegations or claims against or losses suffered by Franchisee or the Franchised Business. Franchisee will deliver to SQLF, immediately upon receipt by Franchisee or delivery at the Premises, an exact copy of all (i) notices of default related to the Premises, (ii) notifications or other correspondence relating to any legal proceeding relating in any way to the Franchised Business or to the Premises, and (iii) inspection reports or any other notices, warnings or citations from any governmental authority, including any health and safety, taxing and/or licensing

authorities. Franchisee will provide all additional information requested by SQLF relating to any of these matters. Franchisee will maintain for SQLF's review any inspection reports affecting the Franchised Business or equipment located in the Franchised Business during the term of this Agreement and for 30 days after the expiration or earlier termination this Agreement. If any of Franchisee's customers contact SQLF with a complaint or issue, SQLF may in its sole discretion remedy such complaint or issue in which case Franchisee must reimburse SQLF for any such remedy deemed appropriate in SQLF's sole discretion.

Upon the occurrence of a Crisis Management Event (as defined below), Franchisee shall immediately inform SQLF, as instructed in the Operations Manual, by telephone and email (or other electronic messaging medium authorized by SQLF for this purpose). Franchisee shall cooperate fully with SQLF with respect to SQLF's response to the Crisis Management Event. "Crisis Management Event" means any event that occurs at or about the Franchised Business that has or may cause harm or injury to customers or employees, such as contagious diseases, natural disasters, terrorist acts, shootings, or any other circumstance which may damage the goodwill associated with System or the Licensed Marks, or image or the reputation of the Speed Queen Stores or SQLF or its Affiliates. In the event of the occurrence of a Crisis Management Event, SQLF may also establish emergency procedures pursuant to which SQLF may require Franchisee to, among other things, temporarily close the Franchised Business to the public, in which event SQLF shall not be liable to Franchisee for any losses or costs, including consequential damages or loss profits occasioned thereby.

H. CONFERENCES

In the event SQLF hosts a franchise conference, Franchisee (or the Representative) and any other persons designated by SQLF must attend. The date and location of all conferences conducted by SQLF will be at the sole discretion of SQLF. Franchisee will pay all expenses incurred by the persons attending the conferences on Franchisee's behalf. SQLF reserves the right to charge registration fees for the conferences held by SQLF. SQLF may exclude Franchisee from attending any conference if Franchisee is then in default of the Agreement or has received two more notices of default of this Agreement in the preceding 12 months.

I. CREDIT CARDS; GIFT CERTIFICATES AND CARDS

Franchisee will honor all credit, debit, charge and cash cards required by SQLF in the Operations Manual or otherwise in writing. Franchisee agrees to comply with the then-current Payment Card Industry Data Security Standards as those standards may be revised and modified by the PCI Security Standards Council, LLC (see www.pcisecuritystandards.org), or any successor organization or standards that SQLF may reasonably specify.

SQLF may establish pre-paid card program and loyalty-based award programs, and once established, Franchisee shall participate in such programs in accordance with the Specifications provided by SQLF. Franchisee may not create or issue any gift certificates, gift card programs, coupons, or discounts of any type, except as approved by SQLF in the Operations Manual or otherwise in writing.

J. PRIVACY

(1) SQLF may periodically specify in the Operations Manual or otherwise in writing the information that Franchisee must collect and maintain on its computer systems at the Franchised Business, and Franchisee must provide to SQLF such reports as SQLF may reasonably request from the data so collected and maintained. All data pertaining to or derived from the Franchised Business (including, without limitation, data pertaining to or otherwise about Franchised Business customers, but expressly excluding payment card information associated with in-store customer transactions made in the Franchised Business) is and shall be SQLF's exclusive property, and SQLF hereby grants a royalty-free non-exclusive license to Franchisee to use such data during the term of this Agreement.

(2) Franchisee must abide by all applicable laws concerning the privacy of consumer, employee, and transactional information ("Privacy Laws").

(3) Franchisee must comply with SQLF's standards and policies pertaining to the privacy of consumer, employee, and transactional information. If there is a conflict between SQLF's standards and policies and Privacy Laws, Franchisee must: (a) comply with the requirements of Privacy Laws; (b) immediately give SQLF written notice of such conflict; and (c) promptly and fully cooperate with SQLF and SQLF's counsel in determining the most effective way, if any, to meet SQLF's standards and policies pertaining to privacy within the bounds of Privacy Laws.

(4) Franchisee must not publish, disseminate, implement, revise, or rescind a data privacy policy without SQLF's prior written consent as to such policy.

K. MANAGEMENT/CONFLICTING INTERESTS

The Franchised Business must at all times be under the direct, day-to-day, full-time supervision of Franchisee, Representative or a general manager who has satisfactorily completed SQLF's training program and been approved by SQLF. If a general manager supervises the Franchised Business, Franchisee or the Representative must remain active in overseeing the operations of the Franchised Business conducted under the supervision of the general manager. The general manager must attend all meetings scheduled and conducted by SQLF for the purpose of further training, educating or informing the individual supervising day-to-day operations of the System.

If at any time the Franchised Business is not being managed by Franchisee (or the Representative, if Franchisee is an entity) or an approved general manager who has satisfactorily completed SQLF's training program, SQLF is authorized, but is not required, following the notice of default and a 30-day cure period, to appoint a manager to maintain the operations of the Franchised Business for and on behalf of Franchisee on an interim basis. SQLF's appointment of a manager of the Franchised Business does not relieve Franchisee's obligations or constitute a waiver of SQLF's right to terminate this Agreement pursuant to Section 18. SQLF is not liable for any debts, losses, costs or expenses incurred in the operations of the Franchised Business or to any creditor of Franchisee for any products, materials, supplies or services purchased by the

Franchised Business while it is managed by SQLF's appointed manager. SQLF has the right to charge a reasonable fee for management services and to cease to provide management services at any time.

13. INSURANCE

A. Franchisee must obtain and maintain in full force at all times during the term of this Agreement, at Franchisee's expense, the insurance policies specified in the Operations Manual or otherwise specified in writing by SQLF from time to time.

B. The insurance policies must be written by a responsible carrier or carriers acceptable to SQLF and must name SQLF as an additional named insured, and must include minimum coverage in accordance with Specifications established by SQLF from time to time in the Operations Manual or otherwise in writing.

C. All public liability and property damage policies must contain a provision that SQLF is entitled to recover under these policies on any loss by SQLF or its representatives, agents or employees by reason of the negligence of Franchisee or its representatives, agents or employees.

D. At least 30 days before the Franchised Business opens for business, Franchisee must deliver or cause to be delivered to SQLF, a copy of the Certificate of Insurance in accordance with these requirements. All insurance policies must expressly provide that a minimum of 30 days' prior written notice shall be given to SQLF in the event of a material alteration to, or cancellation of, the policies.

E. If Franchisee for any reason fails to obtain or maintain the insurance required by SQLF, SQLF may (without having any obligation to do so) immediately obtain such insurance and charge the cost of such insurance to Franchisee, which charges, together with a reasonable fee for SQLF's expenses in so acting, shall be payable by Franchisee immediately upon notice. The foregoing remedies are in addition to any other remedies SQLF may have at law or in equity.

14. MARKETING

Recognizing the value of marketing and the importance of uniform marketing programs to further the goodwill and public image of the System, the parties agree that SQLF will develop and administer marketing, public relations, social media programs and sales promotion programs, each designed to promote and enhance the collective success of the Speed Queen Store. It is expressly understood, acknowledged and agreed that in all phases of such marketing and promotion, including, without limitation, type, quantity, timing, placement and choice of media, social media, market areas, selection of marketing consultants and public relations firms, SQLF's decision shall be final and binding- with regard to systemwide Marketing Fund activities conducted under Section 14.B. Franchisee must participate actively in such marketing, social media, public relations and sales promotion programs, and shall comply with all terms and conditions established by SQLF for each such program.

A. INITIAL MARKETING PLAN

Within three months after the date of this Agreement and in no event after the date which is 60 days before opening of the Franchised Business, Franchisee shall submit to SQLF a marketing plan and budget for the launch of the Franchised Business in the Territory (as defined in Exhibit A to this Agreement) for approval by SQLF. Franchisee shall spend at least the budgeted amount on the implementation of the marketing plan in the one-year period after the Franchised Business opens for business. Within 30 days after the first anniversary of the opening, Franchisee shall submit to SQLF a certified statement of such expenditure.

B. MARKETING FUND

SQLF administers a Marketing Fund (the “Marketing Fund”) and direct all Marketing Fund programs, with sole discretion over the creative concepts, materials, endorsements and media used and the placement and allocation of all marketing and public relations materials. SQLF has the right to determine, in its sole discretion, the composition of all geographic territories and market areas for the development and implementation of social media, marketing and public relations programs. The Marketing Fund’s programs and activities are intended to maximize public awareness of Speed Queen Stores, and SQLF is under no obligation to ensure that any franchisee or any Speed Queen Store benefits directly or pro rata from the placement of such marketing and public relations programs and activities.

The Marketing Fund may be used to meet all costs and expenses related to the following programs and activities:

- (1) Maintaining, administering, directing and preparing national, regional or local marketing materials, social media programs and public relations activities, including, without limitation, the cost of preparing and conducting Internet and social media, marketing, radio, direct mail, magazine, billboard, newspaper, and other media programs and activities;
- (2) Employing marketing agencies and utilizing SQLF’s administrative personnel to perform marketing and public relations services;
- (3) Developing promotional brochures and marketing materials, including, without limitation, point of sale materials for all Speed Queen Stores for purchase by franchisees and by regional and local marketing cooperatives;
- (4) Conducting market research, testing and development of new products, services and equipment considered for Speed Queen Stores;
- (5) Reimbursement of SQLF’s costs associated with marketing, social media, telemarketing, public relations, market research, product development, testing, customer satisfaction, guest loyalty, and consumer research, including payments to third parties and SQLF’s personnel and administrative and overhead costs, and any expenses related thereto;
- (6) For annual franchisee convention costs;

- (7) Technology-related costs to develop and promote Speed Queen Stores; and
- (8) Internal client communication, networking and education.

Franchisee must contribute to the Marketing Fund an amount specified on Exhibit A (the “Marketing Fund Contribution”) which will be payable on the terms set out on Exhibit A.

SQLF may spend in any fiscal year an amount greater or less than the aggregate contributions to the Marketing Fund in that year and SQLF may make loans to the Marketing Fund. SQLF will cause the Marketing Fund to invest any surplus for future use by the Marketing Fund. SQLF reserves the right to increase the amount of the Marketing Fund Contribution, but in no event will such amount exceed 3% of Gross Sales.

SQLF will account for the Marketing Fund separately and the monies will not be used to defray any of SQLF’s general operating expenses, except for salaries, administrative costs and overhead as SQLF may incur in activities related to the development of social media and marketing materials and for the administration or direction of the Marketing Fund and its programs and activities as outlined above, and for collecting and accounting for contributions to the Marketing Fund. SQLF will prepare an unaudited annual report of the operations of the Marketing Fund, which is available to Franchisee upon reasonable request.

Although the Marketing Fund is intended to be perpetual, SQLF may terminate the Marketing Fund at any time in SQLF’s sole discretion. The Marketing Fund will not be terminated until all monies paid to the Marketing Fund have been expended for the activities of the Marketing Fund.

C. LOCAL MARKETING EXPENDITURE

(1) In addition to the Marketing Fund Contribution, Franchisee shall spend a minimum amount equal to the amount set out on Exhibit A on local marketing and public relations activities designed to build brand awareness and recruit potential clients within its market area (the “Local Marketing Expenditure”). Franchisee must provide SQLF with (i) an annual statement of the local marketing and public relations activities and expenditures as provided in Section 15.A. (along with the quarterly reports of marketing activity required by Section 15.E below and (ii) other periodic reports of such activities and expenditures as may be requested by SQLF.

(2) SQLF may furnish Franchisee approved local marketing plans and materials.

(3) If Franchisee’s aggregate amount of expenditures for local marketing activities are less than the amount of the Local Marketing Expenditure for any 12-month period, SQLF may require that the Franchisee contribute the deficit to the Marketing Fund.

(4) Each year during the remainder of the term of this Agreement, Franchisee shall prepare an annual marketing plan in respect of the Franchised Business to be approved by SQLF. Franchisee shall apply at least, ~~but no more than,~~ the Local Marketing Expenditure per year

to implementing the marketing plan in the Territory. Franchisee shall supply SQLF with an annual audited statement of all such expenditures within 30 days after each anniversary of the opening.

D. REGIONAL OR LOCAL MARKETING COOPERATIVE

(1) SQLF shall have the right, in its sole discretion, to designate any geographic area in which two or more Speed Queen Stores are located as a region for purposes of establishing a marketing cooperative (“Cooperative”). The members of the Cooperative for any area shall, at a minimum, consist of all Speed Queen Stores located within that area. Each Cooperative shall be organized and governed in a form and manner, and shall commence operation on a date, determined in advance by SQLF in its sole discretion. Each Cooperative shall be organized for the exclusive purposes of administering marketing programs and developing, subject to SQLF’s approval, promotional materials for use by members in local or regional marketing. If at the time of execution of this Agreement, a Cooperative has been established for a geographic area that encompasses the Franchised Business, or if any such Cooperative is established during the term of this Agreement, Franchisee shall execute, upon SQLF’s request, all documents required by SQLF and shall become a member of the Cooperative pursuant to the terms of those documents. Contributions to the Cooperative shall be credited to Franchisee’s obligation to spend the minimum amount required under Section 14.C.

(2) Franchisee shall contribute to the Cooperative in the amounts required by the documents governing the operation of the Cooperative. Locations owned or operated by SQLF within the Cooperative’s area will contribute on the same basis.

E. APPROVAL OF MARKETING MATERIALS

Before their use by Franchisee, samples of all local marketing, public relations, promotional materials, and internal signage must be submitted to SQLF for approval, which shall not be unreasonably withheld. Local marketing, public relations and promotional materials prepared by Franchisee shall be prepared in accordance with SQLF’s Specifications. If written disapproval is not received by Franchisee within 15 days after the date of receipt by SQLF of any submitted materials, Franchisee may begin using such materials, but SQLF may disapprove at any subsequent date, and if SQLF notifies Franchisee to cease using such materials, Franchisee will immediately cease using such materials.

F. PRICING

SQLF reserves the right to establish pricing of products and services offered by the Speed Queen Stores to the fullest extent permitted by then-applicable law to enhance the competitive position and consumer acceptance of SQLF’s products and services consistent with the long term interest of the System, which may include without limitation, any or all of the following: prescribing the maximum and/or minimum retail prices which Franchisee may charge customers for the products and/or services offered and sold at the Franchised Business; recommending retail prices; advertising specific retail prices for some or all products or services sold at the Franchised Business, which prices Franchisee will be required to observe; engaging in marketing, promotional and related campaigns which Franchisee must participate in and which may directly or indirectly

establish Franchisee's retail prices for products and services offered at the Franchised Business; and, otherwise mandating, directly or indirectly the maximum and/or minimum retail prices which Franchisee may charge the public for the products and services offered by Franchisee.

SQLF may engage in any such activity either periodically or throughout the term of this Agreement. Further, SQLF may engage in such activity only in certain geographic areas (cities, states, regions) and not others, or with regard to certain subsets of franchisees and not others. Franchisee acknowledges and agrees that any maximum, minimum or other prices prescribed or suggested by SQLF may or may not optimize the revenues or profitability of the Franchised Business, and Franchisee irrevocably waives any and all claims arising from or related to SQLF's prescription or suggestion of prices for products or services at the Franchised Business.

G. ADVISORY COMMITTEE

SQLF may form and Franchisee agrees to participate in, if requested, one or more committees or councils of franchisees to consult with and advise SQLF on various matters affecting franchisees. If formed, SQLF will select franchisees to serve on any such committee or council, but SQLF will retain all decision making authority and responsibility for such matters and will reasonably consider the recommendations of the committee or counsel. The committee or counsel will serve in an advisory capacity only. SQLF has the exclusive right to form, change or dissolve any such committee or counsel.

15. RECORDS AND REPORTS

A. Franchisee must maintain during the term of this Agreement, and must preserve for at least 3 years from the dates of their preparation, full, complete and accurate books, records and accounts including payroll records, check stubs, bank statements, sales tax records and returns, cash receipts and disbursements, in accordance with GAAP and if provided, using the chart of accounts specified by SQLF in the Operations Manual.

B. Franchisee must submit to SQLF, at Franchisee's own expense:

(1) Unaudited monthly and year to date profit and loss statement and a balance sheet within 20 days after the end of each month;

(2) Annual financial statements (which may be unaudited but reviewed by a certified public accountant subject to SQLF's right to require audited statements) within 105 days after the end of each calendar year, showing the results of operations and the financial condition of the Franchised Business and Franchisee and, if necessary, reconciling Gross Sales per GAAP to Gross Sales per this Agreement; and

(3) Any other forms, reports, records, information and data as SQLF may reasonably request.

C. SQLF or its designees shall have the right at all reasonable times to review, audit, examine and copy any and all of the books and records, cash control devices, sales and income tax

records of Franchisee (either electronically or in person). Franchisee shall make such books and records available to SQLF or its designees at the time of request and cooperate with SQLF, its representatives and any independent accountants hired by SQLF.

D. Franchisee authorizes SQLF to disclose data from Franchisee's reports, if SQLF determines, in its sole discretion, that disclosure is necessary or advisable, including, without limitation, disclosure to prospective franchisees or other existing franchisees or to other third parties.

E. If financial reports submitted by Franchisee's accountants are deficient or incorrect, SQLF shall require the use of SQLF designated accountant in accordance with this subsection.

F. If requested by SQLF, Franchisee shall provide SQLF with details regarding the costs Franchisee has incurred in developing and constructing its Franchised Business.

16. INSPECTION AND AUDITS

A. SQLF'S RIGHT TO EXAMINE AND INSPECT THE FRANCHISED BUSINESS AND PREMISES

To determine whether Franchisee is complying with this Agreement, SQLF has the right at any time during business hours, following reasonable prior notice to Franchisee, to inspect the Franchised Business and Premises. Without limiting the foregoing, Franchisee acknowledges and agrees that SQLF may engage an independent accounting firm, at SQLF's expense, (i) to review or audit any financial statements submitted to SQLF as required under this Agreement; (ii) upon reasonable notice, to examine or audit Franchisee's books and records at the Premises, using any combination of SQLF's own personnel and/or outside service providers; and (iii) upon reasonable notice, to require Franchisee to assemble, copy and deliver financial statements, books and records to SQLF for examination or audit at SQLF's offices. In any such examination or audit, all books, records, accounts, correspondence, data, financial statements required under this Agreement and tax returns related to the Franchise must be made available for SQLF's inspection. Franchisee must fully cooperate with representatives of SQLF making any inspection and must permit representatives of SQLF to take photographs, movies or videotapes of the Franchised Business, to make copies of records, and to interview employees and customers of the Franchised Business, as long as Franchisee's ability to operate the Franchised Business is not impeded. If any inspection indicates any deficiencies, Franchisee will initiate correction or repair of the deficiency as soon as commercially and reasonably possible after Franchisee receives a written report of a deficiency from SQLF.

B. INDEPENDENT SHOPPING SERVICES

SQLF will have the right to hire independent mystery shopper or other customer feedback services to (a) visit the Franchised Business, (b) interview and survey customers electronically, by telephone, or in person, (c) summarize customer information from comment cards and other evaluation methods or devices, and/or (d) communicate with customers by e-mail or in writing for the purpose of evaluating: (1) the operations of the Franchised Business, (2) the quality of the

products and services provided to customers of the Franchised Business, and (3) whether Franchisee is in compliance with the operational and quality standards specified in the Operations Manual. SQLF will determine the frequency, nature and extent of these services and the form of the reports the service will provide to SQLF. The fees charged for these services will be paid by SQLF or from the Marketing Fund. SQLF may provide Franchisee with copies of all evaluation reports prepared for the Franchised Business.

17. TRANSFER OF INTEREST

A. BY SQLF

SQLF has the absolute right to transfer or assign this Agreement and all or any part of its rights and obligations to any person or legal entity, without the consent or approval of Franchisee. This Agreement shall inure to the benefit of, and be binding on, the successors and assigns of SQLF.

B. FRANCHISEE MAY NOT ASSIGN WITHOUT APPROVAL OF SQLF

Any assignment, sale, conveyance, pledge, sublicense or sub-franchise arrangement or any other attempted transfer, either directly or indirectly, of (1) any interest in this Agreement, (2) any interest in the Franchisee, (3) any of the assets of Franchisee related to the operation of the Franchised Business or (4) any interest in Franchisee that changes who ultimately controls the operations of Franchisee (including by transfer, merger or consolidation, by issuance of additional securities, by conversion, by creation of an additional interest, through a divorce proceeding, by will or transfer in trust or the laws of the intestate succession), without SQLF's prior written approval (subject to Section 17.C. below) shall be void and have no effect and shall not transfer any rights to or interests in this Agreement or the Franchised Business, and shall be deemed a material breach of this Agreement by Franchisee.

C. CONDITIONS FOR APPROVAL OF ASSIGNMENT

If Franchisee and its owners are in substantial compliance with this Agreement, SQLF shall not unreasonably withhold its approval or any of the transfers requiring SQLF's approval. The proposed transferee must (i) be of good moral character, (ii) have sufficient business experience, aptitude and financial resources to own and operate the Franchised Business and (iii) not be involved with any Competing Business and otherwise meet SQLF's then-applicable Specifications for new franchisees. SQLF may also require that any one or more of the following conditions be met before, or concurrently with, the Effective Date of such transfer:

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

(2) Franchisee and its Affiliates must not be in default of any material provisions of this Agreement;

(3) The transferor (and Franchisee and all Principals (if applicable)) must execute a general release in a form satisfactory to SQLF, of any and all claims against SQLF, its Affiliates and the past and present officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees of each of them, in their corporate and individual capacities, including, without limitation, claims arising under this Agreement and any other agreement between SQLF (or their Affiliates) and Franchisee and federal, state and local laws, rules and regulations;

(4) In SQLF's sole discretion, transferor (along with Franchisee and all its owners and guarantors) and/or transferee (along with any new developer and all its owners and guarantors) shall execute all documentation required by SQLF, which may include: (i) SQLF's then-current form of Franchise Agreement being offered to new franchisees and all other ancillary documentation SQLF requires for the Franchised Business, of which the terms of the agreements may differ from the terms in this Agreement; provided, however, that the transferee will not be required to pay any initial franchise fee; or (ii) a written agreement, in a form satisfactory to SQLF, including the assumption of all the duties, obligations, responsibilities and accountabilities of Franchisee under this Agreement;

(5) The transferee, at its expense, must renovate, modernize and otherwise upgrade the Franchised Business to conform to the then-current Specifications of the System, and must complete the upgrading and other requirements within the time period SQLF reasonably specifies subject to the other terms and conditions of this Agreement;

(6) The transferor remains liable for all the obligations to SQLF in connection to the Franchised Business incurred before the Effective Date of the transfer and must execute any and all instruments SQLF reasonably requests to evidence that liability;

(7) At the transferee's expense, the transferee and its management team, must complete any training programs then in effect for new franchisees of a Speed Queen Store upon terms and conditions SQLF reasonably requires;

(8) Payment of the transfer fee specified in Exhibit A;

(9) SQLF approves the material terms and conditions of the assignment and determines in its reasonable discretion that the price and terms of payment are not so burdensome as to materially affect the future operations of the Franchised Business by the transferee;

(10) Franchisee (and its Principals) has executed a non-competition covenant in favor of SQLF and the assignee, agreeing that for a minimum period of two years, commencing on the Effective Date of the assignment, Franchisee will not have any direct or indirect interest as an owner, investor, partner, director, officer, employee, consultant, representative or agent, or in any other capacity, in any Competitive Business; and

(11) Franchisee must have complied with SQLF's right of first refusal under Section 17.G. of this Agreement.

D. DEATH OR DISABILITY OF FRANCHISEE

If Franchisee or any owner (if Franchisee is an entity) dies, becomes incapacitated, or enters bankruptcy proceedings, that person's executor, administrator, personal representative, or trustee must apply to SQLF in writing within three (3) months after the event (death, declaration of incapacity, or filing of a bankruptcy petition) for consent to transfer the person's interest. The transfer will be subject to the provisions of this Section 17, as applicable. In addition, if the deceased or incapacitated person is the Representative, SQLF will have the right (but no obligation) to take over operation of the Franchised Business upon giving notice to the executor, administrator, personal representative, or trustee and to manage the Franchised Business until the transfer is completed. If SQLF exercises this right, SQLF can charge a reasonable management fee for its services. For purposes of this Section 17.D., "incapacity" means any physical or mental infirmity that will prevent the person from performing his or her obligations under this Agreement (1) for a period of thirty (30) or more consecutive days, or (2) for sixty (60) or more total days during a calendar year. In the case of transfer by bequest or by intestate succession, if the heirs or beneficiaries are unable to meet the conditions of transfer set forth in Section 17.C., the executor may transfer the decedent's interest to another successor that SQLF has approved, subject to all of the terms and conditions for transfers contained in this Agreement. If an interest is not disposed of under this Section 17.D. within six (6) months after the date of death or appointment of a personal representative or trustee, SQLF can terminate this Agreement under Section 19.

E. ASSIGNMENT TO A CORPORATION OR LIMITED LIABILITY COMPANY

If Franchisee is an individual or group of individuals and Franchisee desires to transfer this Agreement to an entity wholly owned by Franchisee, where the ownership and management of the Franchised Business will not change, the requirements of Section 17.C. shall apply to such a transfer; however, Franchisee will not be required to pay a transfer fee, but Franchisee must reimburse SQLF for its costs and expenses. SQLF's consent also will be conditioned on the following: (1) the entity must be newly organized; (2) prior to the transfer, SQLF must receive a copy of the documents specified in Section 17.C. and the transferee shall comply with the remaining provisions of Section 17, and (3) Franchisee must own all voting shares of the newly formed company or, if Franchisee is owned by more than one individual, each person shall have the same proportionate ownership interest in the company as prior to the transfer. Franchisee and its Principals shall take all steps necessary to comply with the provisions of Section 3.A. above.

F. PUBLIC OR PRIVATE OFFERINGS

(1) Franchisee acknowledges that the written information used to raise or secure funds can reflect upon SQLF. Franchisee agrees to submit any written information intended to be used for that purpose to SQLF before its inclusion in any registration statement, prospectus or similar offering circular or memorandum. This requirement applies under the following conditions: if Franchisee attempts to raise or secure funds by the sale of securities in Franchisee or any Affiliate of Franchisee (including common or preferred stock, bonds, debentures or general or limited partnership interest) and if any of its owners attempt to raise or secure funds by the sale of securities in Franchisee or any Affiliate of Franchisee (including common or preferred stock,

bonds, debentures or general or limited partnership interests) Franchisee (or any of its owners) agrees not to use the written materials submitted to SQLF or any other written materials to raise or secure funds unless and until SQLF approves of the language. No information respecting SQLF or any of its Affiliates shall be included in any securities disclosure document, unless that information has been furnished to SQLF, in writing, pursuant to the written request of Franchisee. The written request shall state the specific purpose for which the information is to be used. Should SQLF, in its sole discretion, object to any reference to SQLF or any of its Affiliates or any of their businesses in the offering literature or prospectus, the literature or prospectus shall not be used unless and until the objections of SQLF are withdrawn. SQLF assumes no responsibility for the offering whatsoever. The written consent of SQLF pursuant to this Section 17.F. does not imply or constitute the approval of SQLF with respect to the method of financing, the offering literature submitted to SQLF or any other aspect of the offering.

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

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

(3) Franchisee shall indemnify, defend and hold harmless SQLF and its Affiliates, and their respective officers, directors, employees and agents, from any and all claims, demands, liabilities, and all costs and expenses (including reasonable attorneys’ fees) incurred by SQLF as the result of the offer or sale of securities. This Agreement applies to any and all claims, demands, liabilities, and all costs and expenses (including reasonable attorney’s fees) asserted by a purchaser of any security or by a governmental agency. SQLF has the right (but not the obligation) to defend any claims, demands or liabilities and/or to participate in the defense of any action to which SQLF or any of its Affiliates or any of their respective officers, directors, employees or agents is named as a party.

G. SQLF’S RIGHT OF FIRST REFUSAL

If Franchisee or any Principal which owns a controlling interest or otherwise controls the operation of Franchisee, at any time determines to sell or to transfer for consideration this Agreement, the Franchised Business (or an interest therein) or its ownership interest in Franchisee,

and desires to accept a bona fide, written offer from a responsible and fully disclosed purchaser, Franchisee must submit an exact copy of the offer to SQLF. SQLF has the right, exercisable by written notice delivered to Franchisee or such Principal(s) within 60 days after its receipt of notification (and an exact copy of such offer, together with all materials provided to the offering party) exercising the right to purchase at the price and on the terms and conditions contained in the offer, provided that SQLF may substitute cash for any form of payment proposed in the offer and has a minimum of 60 days to prepare for closing. If SQLF does not exercise its right of first refusal, Franchisee (or its Principals) may complete the sale pursuant to and on the exact terms of the offer and in accordance with Sections 17.B and 17.C, provided that if the sale to purchaser is not completed within 120 days after delivery of the offer to SQLF, or if there is a material change in the terms of the sale, the right of first refusal shall restart from the beginning. A transfer of this Agreement, the Franchised Business or an ownership interest in Franchisee to an immediate family member or to a Trust for the purpose of estate planning, is subject to SQLF's approval; however, SQLF shall not have a right of first refusal. For purposes of this paragraph, an immediate family member is limited to a spouse and/or a living child or living children or living grandchildren or a trust for the benefit of such persons or such transferee.

H. EXEMPTED TRANSFERS

Notwithstanding the foregoing, the provisions of this Section 17 shall not apply to a transfer where: (a) less than thirty percent (30%) of the total equity interest in Franchisee is being transferred; and (b) no party disposing of an equity interest in Franchisee is a Principal ("Exempted Transfer"); provided that Franchisee provides SQLF with reasonable notice of the Exempted Transfer and copies any transfer documentation that SQLF requires.

18. RENEWAL OF FRANCHISE

A. FRANCHISEE'S RIGHT TO RENEW

If, upon expiration of the initial term of this Agreement, Franchisee has during the term of this Agreement substantially complied with all its provisions, including without limitation, the notice of renewal provisions set forth below in Section 18.B. and the conditions set forth below in Section 18.C., then Franchisee has the right to renew for an additional two ten (10) year terms (each a "Renewal Term"). NOTICE OF RENEWAL AND NONRENEWAL

Franchisee must give SQLF written notice of Franchisee's election to renew at least 12 months prior to the expiration of the initial term, and Franchisee must comply with all of the conditions set forth in this Section 18 which must, in SQLF's discretion, be met before or at the time of such renewal. If SQLF does not receive written notice of Franchisee's election to renew at least 12 months before the expiration of the then-current term, this Agreement shall expire at the end of such term. If SQLF does receive such written notice, then SQLF must determine whether Franchisee has the right to renew the Franchised Business based on the criteria set forth above in Section 18.A and as set forth in this Section 18.B. If SQLF determines that Franchisee does not have the right to renew the Franchised Business based on these criteria, SQLF shall give Franchisee written notice (the "Notice of Nonrenewal") of its determination. The Notice of

Nonrenewal from SQLF shall state the reasons for SQLF's refusal to renew the Franchised Business.

B. CONDITIONS FOR RENEWAL

In addition to the conditions and other requirements for renewal stated above in this Section 18.B any or all of the following conditions may be required by SQLF, in SQLF's discretion, before or at the time of renewal:

(1) Franchisee must not be in default of any material provision of this Agreement, any amendment or successor agreement; and Franchisee must have substantially and timely complied with all the material terms and conditions of this Agreement and all other agreements with SQLF and its Affiliates;

(2) Franchisee must have satisfied all monetary obligations owed by Franchisee to SQLF and its Affiliates under this Agreement and any other agreements between Franchisee (or any of its Affiliates) and SQLF (or its Affiliates) and must have timely met those obligations throughout the terms of those agreements;

(3) Franchisee must present satisfactory evidence that Franchisee has the right to remain in possession of the Premises for the operation of the Franchised Business for the duration of the Renewal Term or has secured a substitute location as required by Section 5.D 

(4) Based upon an assessment of Franchisee's needs conducted by SQLF prior to renewal, Franchisee must undertake such additional training, if any, as necessary to comply with SQLF's then-current qualification and training requirements;

(5) Franchisee must repair or replace, at Franchisee's cost and expense, equipment (including electronic cash register or computer hardware or software systems, inclusive of any software license to Franchisee by SQLF), signs, interior and exterior décor items, fixtures, furnishings, if applicable, supplies and other products and materials required for the operation of the Franchised Business as SQLF may reasonably require and must obtain, at Franchisee's cost and expense, any new or additional equipment, fixtures, supplies and other products and materials which SQLF may reasonably require for Franchisee to offer and sell new products or provide new services in the manner SQLF specifies and may otherwise modernize the Premises, equipment, décor, fixtures, furnishings, vehicles, supplies and other products and materials required for the operation of the Franchised Business as SQLF reasonably requires to reflect the then-current Specifications and overall image of the System, as contained in the Operations Manual or otherwise provided in writing by SQLF unless Franchisee has complied with a request of SQLF to upgrade the Premises pursuant to the provisions of Section 6.F. during the previous three (3) years;

(6) Franchisee must execute SQLF's then current form Franchise Agreement (the "Renewal Franchise Agreement"), as well as all ancillary agreements, each of which may be materially different than the existing agreements; and

(7) Franchisee and the Principals must execute a general release, releasing SQLF and its Affiliates and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, from all claims related to the Franchised Business including, without limitation, claims arising under this Agreement, any other agreements Franchisee (or its Affiliates) are party to with SQLF (or its Affiliates), or under federal, state or local laws, rules, regulations, or orders.

(8) The renewal fee specified in Exhibit A must be paid to SQLF.

19. TERMINATION

A. In SQLF's sole discretion, SQLF may terminate this Agreement (and all rights granted herein) immediately without notice to Franchisee, if: (1) Franchisee shall become insolvent or make a general assignment for the benefit of creditors; (2) a petition in bankruptcy is filed under any Chapter of Title 11 of the United States Code by Franchisee or such a petition is filed against Franchisee and not opposed by Franchisee; (3) a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; (4) a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; (5) proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee; (6) final judgment remains unsatisfied or of record for 30 days or longer (unless an appropriate bond is filed); (7) Franchisee is dissolved; (8) execution is levied against Franchisee's business or property; (9) if suit to foreclose any lien or mortgage against the Premises or equipment of the Franchised Business is instituted and not dismissed within 30 days; or (10) the real or personal property of the Premises shall be sold after levy thereupon by any sheriff, marshal or law enforcement officer.

B. Franchisee shall be in default under this Agreement and all rights granted by this Agreement may be terminated by SQLF, in SQLF's sole discretion, effective upon written notice to Franchisee if one or more of the following material breaches occurs:

(1) Franchisee or any Principal is convicted of, or enters a plea of nolo contendere to, a felony, or a crime involving moral turpitude, or any other crime or offense SQLF believes is reasonably likely to have an adverse effect on the System, or the Licensed Marks or the goodwill associated therewith;

(2) Franchisee or any of its Principals fails to comply with the covenants contained in Section 21 of this Agreement;

(3) Franchisee or a Principal discloses the contents of the Operations Manual or other Confidential Information in breach of this Agreement;

(4) There is an immediate threat or danger to public health or safety resulting from the operation of the Franchised Business;

(5) Franchisee or a Principal has made a material misrepresentation with its application for the Franchised Business;

(6) Franchisee abandons, surrenders, or transfers control of, or loses the right to occupy, the Premises without obtaining an alternative site in compliance with this Agreement or fails to actively operate the Franchised Business for a period longer than five (5) consecutive days in each case without SQLF's written consent;

(7) Franchisee fails on three separate occasions within any 12 consecutive month period (i) to submit when due financial statements, reports or other data, information or supporting records, (ii) to pay when due the Royalty Fees, Marketing Fund Contributions, amounts due for purchases from SQLF, or its Affiliates or other payments due to SQLF, or (iii) to otherwise comply with this Agreement, whether or not failure to comply is corrected after notice is delivered to Franchisee;

(8) Franchisee knowingly maintains false books or records;

(9) Non-compliance with Anti-Terrorism Laws (defined in Section 25 below);
or

(10) SQLF receives more than 10 valid complaints in any consecutive 12-month period regarding the quality of the service provided by the Franchised Business, and Franchisee fails to promptly improve such service to the reasonable satisfaction of SQLF.

C. If any of the events set forth below occur, Franchisee shall be in material default of this Agreement and SQLF shall have the right to terminate this Agreement upon 30 days written notice to Franchisee. Termination shall be effective upon the expiration of the 30 day period (subject to longer statutory limited), without further notice to Franchisee, if Franchisee fails to cure the default:

(1) Franchisee fails to develop, or open and/or operate the Franchised Business in compliance with this Agreement;

(2) If Franchisee fails to designate a qualified replacement Representative as required by this Agreement;

(3) Franchisee misappropriates, or misuses or makes any unauthorized use of the Licensed Marks;

(4) Franchisee or any Principal attempts to transfer any right or obligation under this Agreement without complying with the provisions of this Agreement;

(5) Franchisee violates any law, ordinance, rule or regulation of a governmental agency in the connection with the operation of the Franchised Business and permits the same to go uncorrected after notification of violation;

(7) Franchisee fails to maintain or suffers cancellation of any insurance policy required under this Agreement;

(8) Franchisee violates any of the covenants contained in this Agreement other than those set forth in Section 21;

(9) Franchisee or any of its Affiliates fails to comply with any mandatory Specification prescribed by SQLF, including, without limitation, any procedural requirements set forth in the Operations Manual, or any other directive of SQLF;

(10) Franchisee or any of its Affiliates fails to timely pay suppliers and vendors for the purchase of products, services or equipment; or

(11) Franchisee fails to comply with any other material provision of this Agreement.

D. If Franchisee or any of its Affiliates fails, refuses or is unable to promptly pay when due any monetary obligation to SQLF under the Area Development Agreement, this Agreement or any other agreement between the parties or their Affiliates and Franchisee does not cure such default within 14 days after delivery of written notice from SQLF, this Agreement shall terminate upon the expiration of the 14 day period, without further notice to Franchisee.

E. A default by Franchisee (or its Affiliates) under any other agreement with Franchisor (or its Affiliates) shall cause a default under this Agreement.

F. No right or remedy herein conferred upon or reserved to SQLF is exclusive of any other right or remedy provided or permitted by law or in equity.

G. If SQLF terminates this Agreement due to a default by Franchisee and in accordance with this Section 19, Franchisee acknowledges and agrees that: (1) Franchisee would be liable to SQLF for SQLF's damages arising from the premature termination, including but not limited to lost future Royalty Fees; and (2) the actual or anticipated damages suffered by SQLF as a result of the premature termination, including, but not limited to the lost Royalty Fees, would be difficult, if not impossible, to calculate either now or at the time of termination. Accordingly, Franchisee agrees to pay to SQLF as liquidated damages an amount equal to the average monthly Royalty Fees and other fees which became due to SQLF for the 12 month period immediately preceding termination (or an annualized amount if not open 12 months) multiplied by either 36 or the number of months that were remaining in the term of this Agreement prior to termination, whichever is less (the "Liquidated Damages Payment"). Franchisee will pay the Liquidated Damages Payment to SQLF promptly, but in no event later than 30 days after the Effective Date of the termination of this Agreement. SQLF and Franchisee agree that this Liquidated Damages Payment provision is an integral part of this Agreement and the parties have taken into account both Franchisee's liability for lost future Royalty Fees and other fees and the difficulty of calculating SQLF's damages from the premature termination of the Agreement in determining the amount of the Liquidated Damages Payment. The parties further agree that the applicable Liquidated Damages Payment is (1) compensation for damages and not a penalty against

Franchisee and (2) is a reasonable estimate of the damages SQLF will suffer as a result of a termination of this Agreement in accordance with this Section 12. SQLF's right to receive the Liquidated Damages Payment from Franchisee shall be in addition to SQLF's other rights under this Agreement.

20. POST-TERMINATION AND POST-EXPIRATION; SQLF'S RIGHT TO PURCHASE ASSETS

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

(1) Franchisee must immediately cease to operate the Franchised Business under this Agreement and must not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of SQLF;

(2) Franchisee must immediately and permanently cease (i) the use, in any manner whatsoever, of any Confidential Information and Trade Secrets, including the Operations Manual, and any other confidential methods, computer software, procedures and techniques associated with the System, (ii) to communicate or order products from the System's approved suppliers, (iii) to use the Licensed Marks and distinctive forms, slogans, signs, symbols and devices associated with the System, in any manner or for any purpose, and (iv) use of all signs, marketing materials, displays, stationery, forms and any other articles which display the Licensed Marks or any distinctive features or designs associates with the Franchised Business;

(3) Franchisee must immediately pay to SQLF, within 30 days after the Effective Date of termination or expiration (without renewal) of this Agreement, Royalty Fees, Marketing Fund Contributions, amounts owed for products purchased by Franchisee from SQLF or from its Affiliates, interest due SQLF or its Affiliates on any of the foregoing and Franchisee must contemporaneously with payment furnish a complete accounting of all amounts owed to SQLF and its Affiliates;

(4) If SQLF does not exercise its right to purchase Franchisee's assets under this Section 20, Franchisee must, at Franchisee's expense, immediately make: (i) all modifications and alterations as are necessary to distinguish the Franchised Business so clearly from its former appearance and other Speed Queen Stores to prevent any possibility of confusion by the public (including removal of all distinctive physical and structural features identifying Speed Queen Stores and removal of all distinctive signs and emblems) and (ii) specific additional changes SQLF reasonably requests for this purpose; if Franchisee fails to initiate immediately or complete alterations within the period of time SQLF deems appropriate, SQLF or its designated agents may enter the Premises and adjacent areas at any time to make alterations, at Franchisee's sole risk and expense; Franchisee expressly acknowledges that its failure to make such alterations will cause irreparable injury to SQLF and consents to entry, at Franchisee's expense, of an ex-parte order by any court of competent jurisdiction authorizing SQLF or its agents to take action, if SQLF seeks an order;

(5) Franchisee must take any action required to cancel all fictitious or assumed names or equivalent registrations relating to any of the Licensed Marks;

(6) Franchisee must take any action required to cancel or assign to SQLF, as SQLF specifies, all of Franchisee's right, title and interest in any business listings (including, but not limited to, telephone numbers and regular, classified or other telephone and on-line directory listings) used from time to time in connection with Franchisee's operation of the Franchised Business.

(7) Franchisee must pay to SQLF all damages, costs and expenses, including reasonable attorneys' fees incurred by SQLF subsequent to the termination or expiration of this Agreement or in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement;

(8) Franchisee must immediately deliver to SQLF all copies of the Operations Manual in Franchisee's possession, software licensed by SQLF and its Affiliates, and all Confidential Information related to operating the Franchised Business;

(9) Franchisee must comply with the restrictions on Confidential Information contained in this Agreement and must also comply with the covenants set forth in Section 21 of this Agreement; and

(10) Franchisee must furnish to SQLF within 30 days after the Effective Date of termination or expiration evidence satisfactory to SQLF of Franchisee's compliance with the foregoing obligations;

B. If this Agreement expires without renewal or is terminated by SQLF in accordance with its provisions, then SQLF has the option, exercisable by giving written notice within 30 days from the date of expiration or termination of this Agreement, to (1) purchase from Franchisee the tangible assets, including inventory of saleable products, customer contracts, materials, supplies, signs, equipment, and fixtures owned or leased by Franchisee, but excluding any unamortized portion of the initial franchise fee, cash, landlord and other security deposits, short-term investments and accounts receivable of the Franchised Business (collectively, the "Purchased Assets") and (2) take assignment of and assume Franchisee's lease for the Premises or a sublease for the full remaining term on the same terms and conditions as Franchisee's lease, and any other leased tangible assets used in connection with the Franchised Business or if Franchisee owns the Premises, lease the Premises from Franchisee pursuant to the terms of SQLF's standard lease. SQLF or its assignee shall be entitled to all customary warranties and representations given by a seller of a business, including without limitation, representations and warranties as to (a) ownership, condition and title to assets; (b) absence of liens and encumbrances relating to the assets; and (c) validity of contracts and liabilities, inuring to SQLF or affecting the assets, contingent or otherwise.

SQLF has the unrestrictive right to either (1) assign this option to purchase or (2) assign the lease separate and apart from this Agreement.

The purchase price for the Purchased Assets shall be at fair market value, determined as of the date of termination or expiration of this Agreement. SQLF will acquire only the Purchased Assets and will not assume any liabilities whatsoever unless otherwise agreed to in writing by the parties. Fair market value shall not contain any amount or factor for any trademark, service mark, or other commercial symbol or for any goodwill for the Franchised Business. If the parties cannot agree on the fair market value of the Purchased Assets within 30 days of SQLF's exercise of its option, fair market value shall be determined by appraisers, with each party selecting one appraiser and the average of their determination to be binding. Each party must bear its own legal and other costs and divide equally the appraisers' fees. SQLF has the right to set off all fees and amounts due from Franchisee to SQLF, against any payment due for the Purchased Assets.

The purchase price, as determined above, shall be paid in cash or cash equivalent at the closing of the purchase, which shall take place no later than 60 days after the delivery of SQLF's notice of its election to purchase the Franchised Business (unless fair market value is determined by appraisal, in which case, the closing shall take place within a reasonable time, not to exceed 60 days, after the results of the appraisal are made available), at which time Franchisee must: (1) deliver instruments transferring good and merchantable title to the assets purchased, free and clear of all liens, encumbrances and liabilities to SQLF or its designee, with all sales and other transferred taxes paid by Franchisee; (2) transfer or assign all licenses or permits which may be assigned or transferred; (3) assign to SQLF or its designee Franchisee's leasehold interest to the Premises of the Franchised Business or, if an assignment is prohibited, sublease same to SQLF for the full remaining term as Franchisee's lease, including renewal and/or purchase options; and (4) assign to SQLF or its designee any leases for other tangible assets used in connection with the Franchised Business.

C. If SQLF exercises the foregoing option to purchase the Purchased Assets, SQLF has the right pending the closing of purchase to appoint a manager to maintain the operation of the Speed Queen Stores in accordance with the terms of this Agreement. Alternatively, SQLF may require Franchisee to close the Speed Queen Stores during such interim time period without removing any of the Purchased Assets from the Franchised Business.

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

21. COVENANTS

A. Franchisee acknowledges that, pursuant to this Agreement, Franchisee and its Principals will receive valuable training, Trade Secrets and Confidential Information, which are beyond their present skills and experience and that the specialized training, Trade Secrets and Confidential Information provide a competitive advantage and are valuable to them in the development and operation of the Franchised Business and that gaining access to it is a primary reason for entering into this Agreement. In consideration for such training, Trade Secrets and Confidential Information, Franchisee covenants and agrees that during the term of this Agreement, Franchisee will not, either directly or indirectly, itself or through, on behalf of, or in conjunction with any person or legal entity:

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

(2) Own, maintain, operate, engage in, have any financial or beneficial interest in (including any interest in any entity), advise, assist, or make loans to, any Competitive Business located, or that is intended to be located, within the United States, its territories, or any other country, province, state or geographic area in which SQLF operates or licenses others to operate businesses under the same or similar Licensed Marks.

B. Franchisee further agrees that, for a continuous period of two (2) years following the expiration, transfer or termination of this Agreement, Franchisee will not, either directly or indirectly, itself or through, on behalf of, or in conjunction with any person or legal entity:

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

(2) Own, maintain, operate, engage in, have any financial or beneficial interest in (including any interest in any entity), advise, assist, or make loans to, any Competitive Business located, or that is intended to be located, within five (5) miles of any Speed Queen Store either existing or under construction at the time of termination.

C. Franchisee must require and obtain execution of covenants similar to those set forth in this Section 21 (including covenants applicable upon the termination of a person's employment with Franchisee) from its Representative, Principals and/or general manager. These covenants must be substantially in the form set forth in Exhibit B. Principals owning 10% or greater interest in Franchisee also must execute these covenants unless they signed a guarantee.

D. Franchisee acknowledges and agrees that the covenants in this Section 21 are an integral part of this Agreement necessary to protect the legitimate business interests of SQLF and are reasonable in scope and duration. Franchisee further acknowledges and agrees that any failure to comply with the requirements of this Section 21 will constitute a material default under this Agreement and would result in irreparable injury to SQLF for which no adequate remedy at law may be available, and Franchisee accordingly consents to the issuance of an injunction, without the need to post bond, prohibiting any violation of this Section 21. Injunctive relief is in addition to any other remedies SQLF may have. If SQLF obtains enforcement in a judicial proceeding, the obligations under the breached restriction will continue in effect for a period ending two (2) years after the date of the order enforcing the restriction.

E. The covenants set forth in this Section 21 shall survive the termination or expiration of this Agreement.

22. MEDIATION

BEFORE ANY PARTY MAY BRING AN ACTION IN COURT AGAINST THE OTHER, THE PARTIES AGREE THAT THEY MUST FIRST MEET TO MEDIATE THE DISPUTE. THE MEDIATION IS TO BE CONDUCTED THROUGH EITHER AN INDIVIDUAL MEDIATOR OR A MEDIATOR APPOINTED BY A MEDIATION SERVICES ORGANIZATION OR BODY, EXPERIENCED IN THE MEDIATION OF FRANCHISE RELATED DISPUTES, AGREED UPON BY THE PARTIES AND, FAILING AN AGREEMENT WITHIN A REASONABLE PERIOD OF TIME AFTER EITHER PARTY HAS NOTIFIED THE OTHER OF ITS DESIRE TO SEEK MEDIATION OF ANY CLAIM, CONTROVERSY OR DISPUTE (NOT TO EXCEED 15 DAYS), BY THE AMERICAN ARBITRATION ASSOCIATION (OR ANY SUCCESSOR ORGANIZATION) IN ACCORDANCE WITH ITS RULES GOVERNING MEDIATION, AT SQLF'S CORPORATE HEADQUARTERS IN RIPON, WISCONSIN. THE COSTS AND EXPENSES OF MEDIATION, INCLUDING COMPENSATION AND EXPENSES OF THE MEDIATOR (AND EXCEPT FOR THE ATTORNEYS' FEES INCURRED BY EITHER PARTY), ARE TO BE SHARED BY THE PARTIES EQUALLY. IF THE PARTIES ARE UNABLE TO RESOLVE THE CLAIM, CONTROVERSY OR DISPUTE WITHIN 90 DAYS AFTER THE MEDIATOR HAS BEEN CHOSEN, THEN EITHER PARTY MAY BRING A LEGAL PROCEEDING UNDER SECTION 23.I. TO RESOLVE THE CLAIM, CONTROVERSY OR DISPUTE UNLESS THE TIME PERIOD IS EXTENDED BY WRITTEN AGREEMENT OF THE PARTIES. NOTWITHSTANDING THE FOREGOING, SQLF MAY BRING AN ACTION THAT INCLUDES CLAIMS (1) TO RECOVER MONIES OWED, (2) FOR INJUNCTIVE OR OTHER EXTRAORDINARY RELIEF, OR (3) SEEKING TO OBTAIN POSSESSION OF OR TO SECURE OTHER RELIEF RELATING TO THE SPEED QUEEN STORE PREMISES IN A COURT HAVING JURISDICTION AND IN ACCORDANCE WITH SECTION 23.I., WITHOUT FIRST SUBMITTING THE DISPUTE UNDERLYING THAT ACTION FOR MEDIATION.

23. ENFORCEMENT

A. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS

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

B. WAIVER OF OBLIGATIONS

No failure to exercise any right reserved to SQLF in this Agreement or to insist upon Franchisee's strict compliance with any obligation or condition in this Agreement, and no custom or practice of the parties, will constitute a waiver of SQLF's right to exercise any right or to demand Franchisee's compliance with this Agreement. SQLF's waiver of any particular default will not affect or impair SQLF's rights with respect to any subsequent default. No delay, forbearance, or omission by SQLF to exercise any power or right arising out of Franchisee's breach or default will affect or impair SQLF's right to exercise the power; nor will it constitute a waiver of SQLF's right to declare any subsequent breach or default and to terminate this Agreement.

C. SPECIFIC PERFORMANCE/INJUNCTIVE RELIEF

Nothing in this Agreement bars SQLF's right to obtain specific performance of the provisions of this Agreement and injunctive relief against threatened conduct that will cause it or the System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions.

D. RIGHTS OF PARTIES ARE CUMULATIVE

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

E. COSTS AND ATTORNEYS' FEES

If a claim for amounts owed by Franchisee to SQLF or any of its Affiliates is asserted in any legal proceeding before a court of competent jurisdiction or arbitrator, or if SQLF or Franchisee is required to enforce this Agreement in a judicial or arbitration proceeding, the party prevailing in the proceeding is entitled to reimbursement of its costs and expenses incurred, including reasonable accounting and legal fees.

F. JURY TRIAL WAIVER

THE PARTIES IRREVOCABLY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, AND/OR COUNTERCLAIM BROUGHT BY EITHER PARTY.

G. WAIVER OF DAMAGES

Franchisee hereby waives, to the fullest extent permitted by law, any right to, or claim for any punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) against SQLF, its Affiliates, and their respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities arising out of any cause whatsoever

(whether such cause is based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, Franchisee shall be limited to the recovery of any actual damages sustained by Franchisee. If any other term of the Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provision of waiver by agreement of punitive, exemplary, incidental, indirect, special, consequential or other damages (including, without limitation, loss of profits) shall continue in full force and effect.

H. GOVERNING LAW

This Agreement and any claim or controversy arising out of, or relating to, rights and obligations of the parties under this Agreement and any other claim or controversy between the parties shall be governed by and construed in accordance with the laws of the State of Wisconsin without regard to conflicts of laws principles. Nothing in this Section is intended, or shall be deemed, to make any Wisconsin law regulating the offer or sale of franchises or the franchise relationship applicable to this Agreement if such law would not otherwise be applicable.

I. EXCLUSIVE JURISDICTION

With respect to any claims, controversies or disputes which are not finally resolved through mediation or as otherwise provided in this Agreement, Franchisee must file any suit against SQLF only in the federal or state court having jurisdiction where SQLF's principal offices is located at the time suit is filed. SQLF must file suit in the federal or state court located in the jurisdiction where its principal offices are located at the time suit is filed, in the jurisdiction where Franchisee resides or does business, where the Speed Queen Business is or was located, or where the claim arose. Franchisee consents to the personal jurisdiction of those courts over Franchisee and to venue in those courts.

The parties agree that all proceedings, whether litigation or mediation, will be conducted on an individual, not a class-wide basis, and that any proceeding between Franchisee and SQLF or its Affiliates or employees may not be consolidated with any other proceeding between SQLF and any other person or entity.

J. VARIANCES

Franchisee acknowledges that SQLF has and may at different times approve exceptions or changes from the uniform standards of the System in SQLF's absolute sole discretion, which SQLF deems desirable or necessary under particular circumstances. Franchisee understands that Franchisee has no right to object to or automatically obtain such variances, and any exception or change must be approved in advance from SQLF in writing. Franchisee understands existing franchisees may operate under different forms of agreements and that the rights and obligations of existing franchisees may differ materially from this Agreement.

K. BINDING EFFECT/AMENDMENT

This Agreement is binding upon the parties of this Agreement and their respective executors, administrators, heirs, assigns and successors in interest, and shall not be modified except

by written agreement signed by both Franchisee and SQLF or their respective successors or permitted assigns.

L. CONSTRUCTION/INTEGRATION CLAUSE

This Agreement, all exhibits to this Agreement and all ancillary agreements executed contemporaneously with this Agreement constitute the entire agreement between the parties with reference to the subject matter of this Agreement and supersede any and all prior negotiations, undertakings, representations, and agreements; provided, however, that nothing in this or any related agreement is intended to disclaim the representations SQLF made in the Franchise Disclosure Document that SQLF furnished to Franchisee.

24. NOTICES

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

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

FAO Speed Queen Retail Finance Team
SPEED QUEEN LAUNDRY FRANCHISE LLC
221 Shepard Street PO Box 245
Ripon, Wisconsin 54971, USA
E-mail: notices@speedqueenlaundry.com

If directed to Franchisee:

ATTN: _____
Email: _____

25. COMPLIANCE WITH ANTI-TERRORISM LAWS

Franchisee and its owners agree to comply, and to assist SQLF to the fullest extent possible, in efforts to comply with Anti-Terrorism Laws (defined below). In connection with that compliance, Franchisee and its owners certify, represent and warrant that none of their property or interest is subject to being blocked under, and that Franchisee and its owners otherwise are not in violation of, any of the Anti-Terrorism Laws. “Anti-Terrorism Laws” means 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 by any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by Franchisee and its owners, or any blocking of Franchisee's or its owners' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement.

26. MISCELLANEOUS

A. Except as otherwise expressly provided, nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity who is not a party to this Agreement.

B. The headings of the several sections and paragraphs are for convenience only and do not define, limit or construe the contents of sections or paragraphs. As used in this Agreement, (i) the word "or" is not exclusive, (ii) the words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation," (iii) any pronoun shall include the corresponding masculine, feminine and neuter forms, (iv) words in the singular number include words in the plural and vice versa unless the context of the usage of such term clearly indicates otherwise, and (v) accounting terms that are used, but not otherwise defined herein, are to be construed and interpreted in accordance with GAAP.

C. The term "Franchisee" as used in this Agreement may be applicable to one or more persons, or a corporation, partnership, limited partnership, or limited liability company as the case may be, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine. If two or more persons are at any time Franchisee under this Agreement, their obligations and liabilities to SQLF shall be joint and several. References to "Franchisee" and "Assignee" which are applicable to an individual or individuals shall mean the owner or owners of the equity or operating control of Franchisee or the Assignee, if Franchisee or the Assignee is a corporation, partnership, limited partnership or limited liability company.

D. This Agreement shall be executed in multiple counterparts, each of which shall be deemed an original

E. This Agreement may be executed electronically.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the Effective Date.

**SPEED QUEEN LAUNDRY
FRANCHISE LLC**
a Delaware limited liability company

**FRANCHISEE: If a corporation,
partnership, or limited liability company,
print name of business entity on the line
below:**

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

If Franchisee is one or more individuals:

(Print Name) _____

Date: _____

(Print Name) _____

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS IS GIVEN THIS _____ day of _____, _____, by _____, _____, (each a “Guarantor”).

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement of even date herewith (the “Agreement”) by and between **SPEED QUEEN LAUNDRY FRANCHISE LLC** (“SQLF”), and

_____, a _____ (“Franchisee”), each Guarantor hereby personally and unconditionally (1) guarantees to SQLF, and its successor and assigns that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (2) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities.

Each Guarantor hereby waives: (1) acceptance and notice of acceptance by SQLF of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed; and (4) any right Franchisee may have to require that an action be brought against Franchisee or any other person as a condition of liability. Each Guarantor hereby consents and agrees that: (1) each Guarantor shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (2) each Guarantor’s liability shall not be contingent or conditioned upon pursuit by SQLF of any remedies against Franchisee or any other person; and (3) each Guarantor’s liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which SQLF may grant to Franchisee or to any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the term of the Agreement.

Each Guarantor hereby further consents and agrees that:

(A) Each Guarantor’s liability shall be direct, immediate, and independent of the liability of, and shall be joint and several with, Franchisee and each other Guarantor;

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

(C) Each Guarantor shall pay all reasonable attorneys' fees and all costs and other expenses incurred in any collection or attempted collection, of any amounts due pursuant to this undertaking or any negotiations relative to the obligations hereby guaranteed or in enforcing this undertaking against such Guarantor;

(D) This undertaking will continue unchanged by the occurrence of any bankruptcy with respect to Franchisee or any assignee or successor of Franchisee or by any abandonment of the Agreement by a trustee of Franchisee; and

(E) Neither the obligation of each Guarantor to make payment or render performance in accordance with the terms of this undertaking nor any remedy for enforcement shall be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Franchisee or its estate in bankruptcy or of any remedy for enforcement, resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency.

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

GUARANTOR(S)

PERCENTAGE OWNERSHIP IN
FRANCHISEE

EXHIBIT A – DATA SHEET

Franchisee:			
Address			
Primary Tel:		Cell #:	
Email Address:			

Territory:

Premises:
If the Premises has not been accepted by SQLF as of the Effective Date, the Site Selection Area shall be identified as:

Statement of Ownership Interests and Principals:		
Shareholders: The following is a list of shareholders, partners, member, or other investors in Franchisee, including all investors who own or hold a direct or indirect interest in Franchisee, and a description of the nature of their interest: <table><thead><tr><th>Name</th><th>Percentage of Ownership/Nature of Interest</th></tr></thead></table>	Name	Percentage of Ownership/Nature of Interest
Name	Percentage of Ownership/Nature of Interest	
Principals: The following is a list of all Principals (as defined in this Agreement) as of the date of this Agreement, each of whom shall execute the Confidentiality Agreement and Ancillary Covenant Not to Compete substantially in the form set forth in Exhibit B to this Agreement. <table><thead><tr><th>Name</th><th>Percentage of Ownership/Nature of Interest</th></tr></thead></table>	Name	Percentage of Ownership/Nature of Interest
Name	Percentage of Ownership/Nature of Interest	
Representative: The Franchisee's Representative is: _____		

Fees:		
Description of Fee:	Amount:	Payment Terms:
Initial Franchisee Fee	\$ _____	Upon signing of Franchise Agreement
Royalty	4% of Gross Sales	Payable by the 15 th of each month for the Gross Sales in the preceding month.
Technology Fee	1% of Gross Sales	Payable by the 15 th of each month for the Gross Sales in the preceding month.
Marketing Fund Contribution	1% of Gross Sales; Subject to increase by SQLF of up to 3% of Gross Sales. <i>Franchisee's aggregate contributions for the Marketing Fund Contribution and the Local Marketing Expenditure will not exceed 4% of Gross Sales.</i>	Payable by the 15 th of each month for the Gross Sales in the preceding month.
Local Marketing Expenditure	Franchisee are required to spend 1% of Gross Sales as a Local Marketing Expenditure, subject to SQLF's right to increase to 4%. <i>Franchisee's aggregate contributions for the Marketing Fund Contribution and the Local Marketing Expenditure will not exceed 4% of Gross Sales.</i>	
Transfer Fee	\$5,000 plus reimbursement of the costs SQLF incur during the review process of the transfer, including, but not limited to attorney fees.	Prior to transfer of the franchise.
Relocation Fee	\$5,000	Prior to relocation

Fees:		
Description of Fee:	Amount:	Payment Terms:
Renewal Fee	\$10,000 plus reimbursement of the costs SQLF incur during the review process of the relocation, including, but not limited to attorney fees.	Upon signing of renewal franchise agreement.
Supplemental Training Fee	\$15 per hour, per person; plus reimbursement of SQLF's actual costs, including travel, lodging and meals.	14 days after billing.

The terms of this Data Sheet are incorporated into the attached Franchise Agreement

**EXHIBIT B – CONFIDENTIALITY AGREEMENT AND
ANCILLARY COVENANTS NOT TO COMPETE**

(to be signed by franchisee its owners, principals, and executive/management staff)

This Agreement is made and entered into as of _____, 20__, between _____, (“Franchisee”), and _____ (“Covenantor”).

RECITALS

WHEREAS, SPEED QUEEN Laundry Franchise LLC, a Delaware limited liability company (“SQLF”) has developed a distinct and proprietary system (the “System”) for the establishment, development and operation of high end laundromats under the name SPEED QUEEN® (“Franchises”); and

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

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

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

WHEREAS, SQLF has granted Franchisee the limited right to develop a Speed Queen Store using the System, the Licensed Marks and the Trade Secrets, pursuant to a Franchise Agreement entered into on _____, _____ (“Franchise Agreement”), by and between SQLF and Franchisee; and

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

WHEREAS, it is necessary for certain employees, agents, independent contractors, officers, directors and equity interest holders of Franchisee, or any entity having an interest in Franchisee (“Covenantor”) to have access to and to use some or all of the Trade Secrets in the management and operation of the Franchised Business using the System; and

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

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

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

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

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

Confidentiality Agreement

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

2. Covenantor shall receive the Trade Secrets in confidence and must, at all times, maintain them in confidence, and use them only in the course of his employment or association with a Franchisee and then only in connection with the development and/or operation by Franchisee of a Speed Queen Store for so long as Franchisee is licensed by SQLF to use the System.

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

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

5. Covenantor must surrender any material containing some or all of the Trade Secrets to Franchisee or SQLF, upon request, or upon termination of employment by Franchisee, or upon

conclusion of the use for which the information or material may have been furnished to Covenantor.

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

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

Covenants Not to Compete

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

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

b. Except with respect to Speed Queen Store not to directly or indirectly, for himself or through, on behalf of, or in conjunction with any person, partnership or corporation, without the prior written consent of SQLF, own, maintain, operate, engage in, or have any financial or beneficial interest in (including any interest in corporations, partnerships, trusts, unincorporated associations or joint ventures) become employed, advise, assist or make loans to, any business that looks like, copies, imitates, or operates in a manner similar to a Speed Queen Store.

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

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

b. Except with respect to Speed Queen Store not to directly or indirectly, for himself or through, on behalf of, or in conjunction with any person, partnership or corporation, without the prior written consent of SQLF, own, maintain, operate, engage in, or have any financial or beneficial interest in (including any interest in corporations, partnerships, trusts, unincorporated associations or joint ventures) become employed, advise, assist or make loans to, any business that looks like, copies, imitates, or operates in a manner similar to a Speed Queen Store.

Miscellaneous

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

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

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

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

5. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF WISCONSIN. COVENANTOR HEREBY IRREVOCABLY SUBMITS HIMSELF TO THE JURISDICTION OF THE STATE COURTS LOCATED IN WISCONSIN AND THE FEDERAL DISTRICT COURT FOR WISCONSIN. COVENANTOR HEREBY WAIVES ALL QUESTIONS OF PERSONAL JURISDICTION OR VENUE FOR THE PURPOSE OF CARRYING OUT THIS PROVISION. COVENANTOR HEREBY AGREES THAT SERVICE OF PROCESS MAY BE MADE UPON HIM IN ANY PROCEEDING RELATING TO OR ARISING UNDER THIS AGREEMENT OR THE RELATIONSHIP CREATED BY THIS AGREEMENT BY ANY MEANS ALLOWED BY WISCONSIN OR FEDERAL LAW. COVENANTOR FURTHER AGREES THAT VENUE FOR ANY PROCEEDING RELATING TO OR ARISING OUT OF THIS AGREEMENT SHALL BE RIPON, WISCONSIN; PROVIDED, HOWEVER, WITH RESPECT TO ANY ACTION WHICH INCLUDES INJUNCTIVE RELIEF OR OTHER EXTRAORDINARY RELIEF, SQLF OR FRANCHISEE MAY BRING SUCH ACTION IN ANY COURT IN ANY STATE WHICH HAS JURISDICTION.

6. The parties acknowledge and agree that each of the covenants contained in this Agreement are reasonable limitations as to time, geographical area, and scope of activity to be restrained and do not impose a greater restraint than is necessary to protect the goodwill or other business interests of SQLF. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in any unappealed final decision to which SQLF is a party, Covenantor

expressly agrees to be bound by any lesser covenant subsumed within the terms of the covenant that imposes the maximum duty permitted by law as if the resulting covenant were separately stated in and made a part of this Agreement.

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

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

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

ATTN: _____

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

ATTN: _____

Any notices sent by personal delivery shall be deemed given upon receipt. Any notices given by facsimile or electronic mail shall be deemed given upon transmission, provided confirmation is made as provided above. Any notice sent by expedited delivery service or registered or certified mail shall be deemed given three business days after the time of mailing. Any change in the foregoing addresses shall be effected by giving 30 days written notice of such change to the other parties. Business day for the purpose of this Agreement excludes Saturday, Sunday and all federal holidays.

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

10. Covenantor hereby acknowledges and agrees that SQLF is an intended third-party beneficiary of this Agreement with the right to enforce it, independently or jointly with Franchisee.

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

FRANCHISEE

COVENANTOR

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT C – LEASE RIDER

This Lease Rider is made and entered into this ____ day of _____, _____, by and between _____ (“Franchisee”), and _____ (“Landlord,” and collectively with Franchisee, the “Parties”).

WHEREAS, SPEED QUEEN Laundry Franchise LLC (“SQLF”) and Franchisee are parties to that certain Franchise Agreement dated _____ (the “Franchise Agreement”); and

WHEREAS, Franchisee and Landlord desire to enter into a lease (the “Lease”) pursuant to which Franchisee will occupy certain premises known as Suite _____, in the building located at _____ (the “Premises”), for a Branded Business licensed under the Franchise Agreement (the “Franchise”); and

WHEREAS, as a condition to entering into the Lease, the Franchise Agreement requires the Parties to enter into this Lease Rider, and the Parties desire to do so.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. Use of the Premises. During the term of the Franchise Agreement, the Premises shall be used only for the operation of the Franchise.

2. SQLF System. Landlord hereby consents to Franchisee’s use of such proprietary marks, signs, interior and exterior décor items, color schemes and related components of the SQLF system, as SQLF may prescribe for the Franchise. Franchisee’s use of such items shall at all times be in compliance with all applicable laws, ordinances, rules and regulations of governmental authorities having jurisdiction over the Premises.

3. Notices. Landlord shall deliver to SQLF copies of any and all notices, requests, demands and other communications sent to Franchisee pertaining to the Lease or the Premises (including those relating to Franchisee’s default under the Lease) at the same time such notices, requests, demands and other communications are sent to Franchisee. SQLF’s address for such deliveries is:

SPEED QUEEN Laundry Franchise LLC
221 Shepard Street
Ripon, Wisconsin I 54971
Facsimile: 920-748-4564
E-mail: _____

4. SQLF's Cure Rights.

a. SQLF shall have the right (but not the obligation) to cure any default by Franchisee under the Lease in accordance with the terms of the Lease.

b. Furthermore, if any default by Franchisee under the Lease remains uncured at the expiration of all applicable notice and cure periods provided to Franchisee under the Lease, then, as a condition to the exercise of Landlord's rights to terminate the Lease and/or re-possess the Premises, Landlord shall first provide an additional written notice to SQLF specifying such uncured default. For a period of 30 days following SQLF's receipt of such notice, SQLF shall have the right (but not the obligation) to cure such uncured default. If SQLF does not cure such default within such additional 30-day cure period, then Landlord may immediately exercise its rights to terminate the Lease and/or re-possess the Premises.

c. If SQLF elects to cure any default on behalf of Franchisee, Landlord shall accept such cure as if Franchisee had performed the same. No such cure by SQLF will constitute SQLF's assumption of any of Franchisee's obligations under the Lease.

5. Assignment and Assumption.

a. Franchisee shall have the right to assign or otherwise transfer its interest in the Lease to SQLF at any time without Landlord's consent, provided that SQLF expressly assumes all of Franchisee's obligations under the Lease to the extent such obligations arise after the effective date of such assignment. Franchisee shall not assign the Lease without the prior written consent of SQLF.

b. Upon the expiration or termination of the Franchise Agreement, for any reason whatsoever, SQLF shall have the right (but not the obligation) to assume the Lease without the need for an assignment of the Lease by Franchisee (provided that if such an assignment is requested by SQLF, Franchisee shall execute and deliver the same). SQLF shall have the right to delegate or assign its rights under this Section 5.b. to any third party including another Speed Queen franchisee who is acceptable to Landlord. To exercise this unilateral right, SQLF (or SQLF's delegatee) shall deliver written notice thereof to Landlord no later than 30 days after the expiration or termination of the Franchise Agreement, which written notice must contain an express assumption by SQLF (or SQLF's delegatee) of all of Franchisee's obligations under the Lease to the extent such obligations arise after the effective date of such notice. Upon Landlord's receipt of such notice, Landlord shall recognize SQLF (or its delegatee) as the tenant under the Lease and SQLF (or the delegatee) shall have all the rights of the tenant thereunder. Furthermore, and notwithstanding anything to the contrary contained in the Lease, if SQLF so assumes the Lease, then at any time thereafter SQLF shall have the right to assign the Lease to another Speed Queen franchisee under this Section 5.b., provided that (i) such franchisee has been approved by Landlord (such approval not to be unreasonably withheld, conditioned or delayed), and (ii) such franchisee expressly assumes all of the tenant's obligations under the Lease to the extent such obligations arise after the effective date of such assignment. In that event, SQLF shall be relieved of any liability for obligations under the Lease to the extent such obligations arise after the effective date

of such assignment. The provisions of this Lease Rider, including the provisions of this section, shall apply to any substitute Speed Queen Store that becomes the tenant under the Lease.

c. Landlord acknowledges that SQLF is not a party to the Lease and SQLF has no liability thereunder unless and until the Lease is expressly assumed by SQLF.

6. Amendment; Renewal. Landlord and Franchisee shall not, without the prior written consent of SQLF, amend or otherwise modify the Lease in any manner that would materially and adversely affect any of the rights granted to SQLF in this Lease Rider. Franchisee shall not renew or extend the Lease without the prior written consent of SQLF.

7. Priority. The terms of this Lease Rider supersede any conflicting terms of the Lease.

8. Third Party Beneficiary. SQLF, along with its successors and assigns, is an intended third party beneficiary of the provisions of this Addendum.

[Signatures on next page]

IN WITNESS WHEREOF, the Parties have executed this Lease Rider as of the date first above written.

SPEED QUEEN Laundry Franchise LLC

(If Franchisee is a corporation or limited liability company)

Name of Corporation or Limited Liability Company

By: _____

By: _____

Title: _____

Title: _____

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

Franchisee

Franchisee

Franchisee

Franchisee

LANDLORD:

By: _____

Printed Name: _____

Title: _____

EXHIBIT D - ELECTRONIC FUND TRANSFER AUTHORIZATION

The undersigned, _____ (“Franchisee”), hereby authorizes SPEED QUEEN LAUNDRY FRANCHISE LLC (“SQLF”) to initiate debit entries to the undersigned’s checking account or savings account (circle one) indicated below at the financial institution named below (the “Bank”), and to debit same by electronic funds transfer for any and all amounts due to SQLF under the Franchise Agreement between SQLF and Franchisee including, without limitation, amounts due for royalty fees, interest, purchases from SQLF or its affiliates, marketing fund or advertising contributions, or any other amounts owed by Franchisee to SQLF or its affiliates.

Bank Name: _____ Branch: _____

City: _____ State: _____ Zip Code: _____

Routing Number (9 digits) _____

Account Number: _____

This authorization is to remain in full force and effect until SQLF and Bank have received written notification from the undersigned of its termination in such time and manner as to afford SQLF and Bank a reasonable opportunity to act on it.

This authorization shall be effective on _____, 20___. A facsimile or electronic signature on this authorization shall be deemed an original signature.

By: _____
Printed Name: _____
Title: _____
Date: _____

By: _____
Printed Name: _____
Title: _____
Date: _____

Please attach a voided check if payments will be made from a checking account or a deposit slip if payment will be made from a savings account.

Please fax or email to [_____] at _____ or
[email address]

EXHIBIT E – SITE SELECTION ADDENDUM

SPEED QUEEN LAUNDRY FRANCHISE LLC (“SQLF” or “Franchisor”) and _____ (“Franchisee”) have this ____ day of _____, 20____ entered into a Speed Queen Franchise Agreement (“Franchise Agreement”) and wish to supplement its terms as set out below in this Site Selection Addendum (the “Addendum”). The parties agree as follows:

AGREEMENT

1. **Time to Locate Site:** Within one-hundred eighty (180) days after the date of this Addendum, Franchisee agrees to acquire or lease/sublease, at its own expense, commercial real estate that is properly zoned for the use of the business that Franchisee will conduct under the Franchise Agreement (the “Franchised Business”) at a site that SQLF will have approved in writing as provided below.

a. Such location must be within the following area: _____

_____ (the “Site Selection Area”).

b. The only reason that the Site Selection Area is described is for the purpose of selecting a site for the Franchised Business.

c. If Franchisee does not acquire or lease a site (that SQLF has approved in writing) for the Franchised Business in accordance with this Addendum by not later than one hundred and eighty (180) days after the date of this Addendum, that will constitute a default under Section 19.B. of the Franchise Agreement and also under this Addendum, and SQLF will have the right to terminate the Franchise Agreement and this Addendum pursuant to the terms of Section 19.B. of the Franchise Agreement.

2. **Site Evaluation Services:** SQLF shall provide Franchisee with its site selection guidelines, including its minimum standards for a location for the Franchised Business, and such site selection counseling and assistance as it may deem advisable.

3. **Site Selection Package Submission and Approval:** Franchisee must submit to SQLF, in the form that SQLF specifies: *(a)* a completed site approval form (in the form that SQLF requires); *(b)* such other information or materials that SQLF may reasonably require; and *(c)* an option contract, letter of intent, or other evidence satisfactory to SQLF that confirms Franchisee’s favorable prospects for obtaining the site. Franchisee acknowledges that time is of the essence. SQLF will have thirty (30) days after receipt of all such information and materials from Franchisee to approve or disapprove the proposed site as the Premises for the Franchised Business. SQLF will have the right to approve or disapprove any such site to serve as the Premises for the Franchised Business. If SQLF does not approve a proposed site by giving Franchisee written notice within the 30-day period, then SQLF will be deemed to have disapproved the site.

4. **Lease Responsibilities:** After SQLF has approved a site and before the expiration of the Search Period, Franchisee must execute a lease, which must be coterminous with the Franchise Agreement, or a binding agreement to purchase the site. SQLF's approval of any lease is conditioned upon inclusion in the lease of the "Lease Rider" attached to the Franchise Agreement as Exhibit C. However, even if SQLF examines the Lease, SQLF is not responsible for review of the Lease for any terms other than those contained in the Lease Rider.

5. **Premises:** After SQLF has approved the location for the Franchised Business and Franchisee has leased or acquired that location, the location will constitute the "Premises" described in Section 2.A. of the Franchise Agreement. The Premises will be specified on Exhibit A to the Franchise Agreement, and will become a part the Franchise Agreement. The Territory, as described in Section 2.D. of the Franchise Agreement, will be the geographic area thereafter specified in Exhibit A to the Franchise Agreement, and will become a part of the Franchise Agreement.

a. Franchisee hereby acknowledges and agrees that SQLF's approval of a site does not constitute an assurance, representation, or warranty of any kind, express or implied, as to the suitability of the site for the Franchised Business or for any other purpose. SQLF's approval of the site indicates only that SQLF believes the site complies with SQLF's minimum acceptable criteria solely for SQLF's own purposes as of the time of the evaluation. The parties each acknowledge that application of criteria that have been effective with respect to other sites and premises may not be predictive of potential for all sites and that, subsequent to SQLF's approval of a site, demographic and/or economic factors, such as competition from other similar businesses, included in or excluded from criteria that SQLF used could change, thereby altering the potential of a site. Such factors are unpredictable and are beyond SQLF's control.

b. SQLF will not be responsible for the failure of a site (even if SQLF has approved that site) to meet Franchisee's expectations as to revenue or operational criteria.

c. Franchisee acknowledges and agrees that Franchisee's acceptance of a franchise for the operation of the Franchised Business at the site is based on its own independent investigation of the suitability of the site.

6. **Construction:** This Addendum will be considered an integral part of the Franchise Agreement between the parties hereto, and the terms of this Addendum will be controlling with respect to the subject matter hereof. All capitalized terms not otherwise defined herein will have the same meaning as set forth in the Franchise Agreement. Except as modified or supplemented by this Addendum, the terms of the Franchise Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, each party hereto has caused its duly authorized representative to duly execute and deliver this Addendum on the date first above written.

**SPEED QUEEN LAUNDRY FRANCHISE
LLC**
Franchisor

Franchisee

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

EXHIBIT D
STATE ADMINISTRATORS

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:

CALIFORNIA 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 Toll Free: (866) 275-2677 Email: ASK.DFPI@dfpi.ca.gov Website: http://www.dfpi.ca.gov	NEW YORK NYS Department of Law Investor Protection Bureau 28 Liberty St. 21st Fl New York, NY 10005 (212) 416-8222
HAWAII 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	NORTH DAKOTA North Dakota Securities Department State Capitol Department 414 600 East Boulevard Avenue, Fourteenth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Office of the Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	RHODE ISLAND Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	SOUTH DAKOTA Division of Insurance Securities Regulation 124 South Euclid Avenue, 2 nd Floor Pierre, South Dakota 57501 (605) 773-3563
MARYLAND Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	VIRGINIA State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051
MICHIGAN Michigan Attorney General’s Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1 st Floor Lansing, Michigan 48913 (517) 335-7567	WASHINGTON Department of Financial Institutions Securities Division— 3rd Floor 150 Israel Road, Southwest Tumwater P.O. Box 41200 Olympia , Washington 98501 98504-1200 (360) 902-8760
MINNESOTA Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	WISCONSIN Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

EXHIBIT E
AGENTS FOR SERVICE OF PROCESS

List of 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.

CALIFORNIA 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 Toll Free: (866) 275-2677 Email: ASK.DFPI@dfpi.ca.gov Website: http://www.dfpi.ca.gov	NEW YORK New York Secretary of State One Commerce Plaza 99 Washington Avenue Albany, NY 12231 (518) 473-2492
HAWAII 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	NORTH DAKOTA North Dakota Securities Commissioner State Capitol Department 414 600 East Boulevard Avenue, Fourteenth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	RHODE ISLAND 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
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	SOUTH DAKOTA Division of Insurance Director of the Securities Regulation 124 South Euclid Avenue, 2 nd Floor Pierre, South Dakota 57501 (605) 773-3563
MARYLAND Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	VIRGINIA Clerk of the State Corporation Commission 1300 East Main Street, 1 st Floor Richmond, Virginia 23219 (804) 371-9733
MICHIGAN Michigan Attorney General’s Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1 st Floor Lansing, Michigan 48913 (517) 335-7567	WASHINGTON Director of Department of Financial Institutions Securities Division – 3 rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760
MINNESOTA Commissioner of Commerce Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	WISCONSIN Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

EXHIBIT F
TABLE OF CONTENTS OF PLAYBOOK

Table of Contents of Playbook

Subject	Number of Pages
Introduction, Disclosure Agreement, and Disclaimer	3
Purpose	1
Management Resources & Support	1
Personnel/Staffing	2
Store Operations	22
Speed Queen Store Design Standards	1
Store Supply Ordering	1
Total Number of Pages	31

EXHIBIT G
GENERAL RELEASE

GENERAL RELEASE

THIS GENERAL RELEASE ("Release") is executed on _____ by _____ ("Franchisee") and/or _____ ("Guarantors") as a condition of (1) the transfer of the Franchise Agreement dated _____ ("Franchise Agreement") between SPEED QUEEN Laundry Franchise, LLC ("Speed Queen") and Franchisee, or the SPEED QUEEN® Area Development Agreement dated _____ ("Development Agreement") between Speed Queen and Franchisee; or (2) the execution of a renewal Franchise Agreement by Franchisee and Speed Queen.

1. Release by Franchisee and Guarantors. If Franchisee is an entity, Franchisee (on behalf of itself and its parents, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities) and Guarantors (on behalf of themselves and their respective heirs, representatives, successors and assigns) or, if Franchisee is an individual, Franchisee (on behalf of himself/herself and his/her heirs, representatives, successors and assigns) (collectively, "Releasors") freely and without any influence forever release Speed Queen, its parent, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, agents and employees, in their corporate and individual capacities (collectively, "Releasees"), with respect to any and all claims, demands, liabilities and causes of action of whatever kind or nature, whether known or unknown, vested or contingent, suspected or unsuspected (collectively, "Claims"), which any Releasor ever owned or held, now owns or holds or may in the future own or hold, including, without limitation, claims arising under federal, state and local laws, rules and ordinances and claims arising out of, or relating to, the Development Agreement and/or Franchise Agreement and all other agreements between any Releasor and any Release arising out of, or relating to any act, omission or event occurring on or before the date of this Release, unless prohibited by applicable law. This general release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Risk of Changed Facts. Franchisee and Guarantors understand that the facts in respect of which the release in Section 1 is given may turn out to be different from the facts now known or believed by them to be true. Franchisee and Guarantors hereby accept and assume the risk of the facts turning out to be different and agree that the release in Section 1 shall nevertheless be effective in all respects and not subject to termination or rescission by virtue of any such difference in facts.

3. Waiver of Section 1542. Further, Releasors expressly waive all right, protection, privilege and benefit under Section 1542 of the Civil Code of the State of California, which provides:

1542 A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

By signing this Release of All Claims, Releasors are giving up all rights under Section 1542 and any similar provision of any state.

34. No Prior Assignment. Franchisee and Guarantors represent and warrant that the Releasors are the sole owners of all Claims and rights released in Section 1 and that the Releasors have not assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim released under Section 1.

45. Covenant Not to Sue. Franchisee and Guarantors (on behalf of Releasors) covenant not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or

administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any person or entity released under Section 1 with respect to any Claim released under Section 1.

56. Complete Defense. Franchisee and Guarantors: **(a)** acknowledge that the release in Section 1 shall be a complete defense to any Claim released under Section 1; and **(b)** consent to the entry of a temporary or permanent injunction to prevent or end the assertion of any such Claim.

67. Successors and Assigns. This Release will inure to the benefit of and bind the successors, assigns, heirs and personal representatives of Speed Queen and each Releasor.

7. Third Party Beneficiary. Speed Queen and its parent, affiliates and subsidiaries shall be third party beneficiaries under this Release.

8. Representation by Counsel. Franchisee and Guarantors acknowledge and agree that they have been represented by independent counsel of their own choice throughout all negotiations which preceded the execution of this Release, and that they have executed this Release with the consent and upon the advice of said independent counsel.

9. Enforcement. This Release and all claims relating to this Release shall be governed by and construed under the law of Wisconsin. Franchisee and Guarantors shall file any controversy or claim whatsoever arising out of or relating to this Release or the enforcement of the promises in this Release or with regard to the interpretation, formation, or breach of this Release in the court where Speed Queen's principal offices are located. Speed Queen may file any controversy or claim whatsoever arising out of or relating to this Release or the enforcement of the promises in this Release or with regard to the interpretation, formation, or breach of this Release in the court where its principal offices are located, where Franchisee resides or does business, or where the claim arose.

10. Confidentiality. The terms of this Release shall remain confidential and may not be disclosed except when and to the extent necessary to comply with applicable federal, state, or local laws, court orders or regulations.

11. Construction. Any capitalized terms that are not defined in this Release shall have the meaning given them in the Development Agreement and Franchise Agreement, as the context requires. The masculine gender shall be deemed to refer to and include the feminine and neuter, and the singular to refer to and include the plural, and vice versa.

12. [For Washington franchisees add this paragraph:] This Release does not apply to claims arising under the Washington Franchise Investment Protection Act, Chapter 19.100 RCW, or the rules adopted thereunder in accordance with RCW 19.100.220(2).

13. [For Maryland franchisees add this paragraph:] This Release does not apply to claims arising under the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. §§14-201 – 14-233, or the rules adopted thereunder in accordance with Md. Code Ann., Bus. Reg. §14-206, Code of Maryland Regulations, Title 02.02.08.01 – 02.02.08.17.

[Signatures on Following Page]

IN WITNESS WHEREOF, Franchisee and Guarantors have executed this Release as of the date shown above.

ATTEST:

By: _____
Print Name: _____
Title _____

WITNESS:

Print Name: _____

**FOR ENTITY:
FRANCHISEE:**

By: _____
Print Name: _____
Title _____
Date: _____

GUARANTOR:

Print Name: _____
Date: _____

**FOR INDIVIDUAL:
FRANCHISEE:**

Print Name: _____
Date: _____

EXHIBIT H
LIST OF FRANCHISEES

List of Franchisees

List of Franchised Locations as of December 31, 2023:

Franchisee Name	Street Address			City	State	Zip	Phone Number
LB Wash & Save LLC	1526 East 4th Street			Long Beach	CA	90802	562-800-3152
Bocabubbles LLC	301 NE Spanish River Blvd	Boca Raton	FL	33431	(561) 765-6555		
PLP Memorial LLC	5296 Memorial Dr	Stone Mountain	GA	30083	(470) 231-4333		
Q Grand Chicago, LLC	6808 W Grand Avenue			Chicago	IL	60707	678-234-4377
Q Milwaukee Chicago, LLC	3333 N Milwaukee Ave	Chicago	IL	60641	(773) 249-2999		
Stroud Laundry Services LLC	8065 Florida Blvd	Baton Rouge	LA	70806	(225) 243-1777		
Moksh LLC	3505 W Blue Ridge Drive			Greenville	SC	29611	864-863-1333
Laundry Support Solutions LLC	2520 Gus Thomasson Rd			Dallas	TX	75228	972-777-9491
Lavari, Just Clean it LLC	3215 Center Street 2950 Walnut Hill Lane	Deer Park Dallas		TX	77536 75229	714-227-0005 (469) 382-9222	
Ergon Group LLC	1551 S. Buckner Blvd, Ste 247	Dallas	TX	75217	(214) 492-9222		
Laundry Support Solutions LLC	2740 Valwood Parkway			Farmers Branch	TX	75234	972-999-1889
Queen Investment Partners LLC	12540 Hillcroft Avenue	Houston	TX	77035	281-639-8283		
Dhulai LLC	2843 Spears Road			Houston	TX	77067	346-471-7444
The Bubble Hut LLC *	5670 W 3500 S	West Valley City		UT	84128	801-599-8642	

*Will stop operating as a Speed Queen store Spring 2023.

List of Franchise Agreements Signed, but Units not Yet Open as of December 31, 2023:

Franchisee Name	Franchised Location (or Site Selection Area) - Address					City	State	Phone Number
Katha LLC/Diptesh Patel	Camelback					Phoenix	AZ	972-522-9358
Marc Barber [‡]	TBD					Central Valley	CA	916-790-5526
TBA/Jeremy Stroud	TBD	Los Angeles	CA	225-241-1079				
Nimisha Lotia ^{†***}	TBD					Orange County, Los Angeles, Metropolitan Area of Inland Empire	CA	424-210-7890
Frasier & Funk/Cameron Funk	TBD					Colorado Springs	CO	303-903-4292
Boca Bubbles/Peter Wolff	301 NE Spanish River Blvd	Boca Raton	FL	561-289-5577				
PLP Memorial LLC/Asad Mazahir and Mohamed Iftikhar	Memorial Bend	Stone Mountain	GA	678-200-8524				
Q Milwaukee Chicago, LLC/Sanjay Banit and Daxes Banit	3333 N. Milwaukee Avenue	Chicago	IL	678-234-4377				
Modern Laundry, LLC**/Jack Kassis	TBD					Hobbs, Carlsbad, Roswell	NM	575-318-3337
SQ1 West Columbia, LLC/Mackenzie & Emily Craik	TBD					Columbia	SC	509-520-3261
Just Clean It / Scott Sprawls	2950 Walnut Hill Lane	Dallas	TX	602-885-2440				

Franchisee Name	Franchised Location (or Site Selection Area) - Address					City	State	Phone Number
Ergon Americas/Bernardo Almeida	1551 Buckner Blvd	Dallas	TX	406-304-7334				
AA Laundry LLC/Abdullah and Waqar Saleemi	TBD					Dallas	TX	214-893-4606
COJO Corporation/Michael Goss[‡]	TBD	Houston	TX	713-660-9577				

[‡]~~May be terminated in 2023.~~

^{**} ^{***} Signed a development agreement and the first franchise agreement for a location.

^{***} Signed a development agreement but did not sign the first franchise agreement for a location

List of Franchisees who had a unit terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year ended December 31, 202~~2~~³ or who has not communicated with the franchisor within 10 weeks of the disclosure document issuance date:

Franchisee Name	City		State	Phone Number	Reason
<u>The Bubble Hut LLC</u>	<u>West Valley City</u>	<u>UT</u>	<u>801-599-8642</u>	<u>Closed</u>	
KDN Enterprises/Devansh Ranchod <u>Lavari, LLC</u>	Dallas <u>Deer Park</u>		TX	972-250-1775 <u>(714) 227-0005</u>	Never opened <u>Closed</u>
<u>Queen Investment Partners LLC</u>	<u>Houston</u>	<u>TX</u>	<u>281-639-8283</u>	<u>Transferred to franchisor</u>	

If you buy this franchise, your contact information may be disclosed to other buyers when you leave our System.

EXHIBIT I
STATE ADDENDA

STATE-SPECIFIC ADDITIONAL DISCLOSURES

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES
REQUIRED BY THE STATE OF 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 SPEED QUEEN Laundry Franchise LLC URL address. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION AT WWW.DFPI.CA.GOV.

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.

2. **Item 3, Additional Disclosure.** The following statement is added to Item 3:

Neither SPEED QUEEN Laundry Franchise LLC nor any person listed in Item 2 is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a *et seq.*, suspending or expelling such parties from membership in such association or exchange.

3. **Item 5, Additional Disclosure.** Item 5 of the FDD is modified to state: The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a franchise agreement, the payment of the initial franchise fee, the amounts due for purchase of equipment and any other amounts will be deferred until the unit is open. For California franchisees who sign an area development agreement, the payment of the development and initial fees attributable to a specific unit in your area development schedule is deferred until that unit is open.

4. **Item 6, Additional Disclosure.** The maximum rate of interest in California as of the issuance date of the disclosure document is 10% per annum.
5. **Item 10, Additional Disclosure.** Item 10 of the FDD is hereby amended to include the following language: Alliance Laundry Systems LLC is a licensed California Finance Lender under license number 603J999. The maximum allowable interest rate in California as of the issuance date of the FDD is 10% per year.
6. **Item 17, Additional Disclosures.** The following statements are added to Item 17:

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning transfer, termination or non-renewal of the franchise agreements. If the agreements contain a provision that is inconsistent with the law, the law will control.

The Franchise Agreement and Area Development Agreement provide for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101, *et seq.*).

The Franchise Agreement and Area Development Agreement provide for application of the laws of Wisconsin. This provision may not be enforceable under California law.

The Franchise Agreement and Area Development Agreement contains a choice of forum provision. This provision may not be enforceable under California law.

The Franchise Agreement and Area Development Agreement contain a covenant not to compete that extends beyond the termination of the franchise. These provisions may not be enforceable under California law.

You must sign a general release upon execution of the franchise agreement and development agreement, if you transfer the rights granted under those agreements and if you renew your franchise. These provisions may not be enforceable under California law. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 21000 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable. Any such provisions contained in the franchise agreement may not be enforceable.

The Franchise Agreement and Area Development Agreement contain provisions requiring binding arbitration with the costs being awarded to the prevailing party. The arbitration will occur in Wisconsin. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement or Area Development Agreement restricting venue to a forum outside the State of California. The Franchise Agreement and Area Development Agreement may contain a mediation provision. If so,

the parties shall each bear their own costs of mediation and shall share equally the filing fee and the mediator's fees.

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES
REQUIRED BY THE STATE OF ILLINOIS**

Item 5, Initial Fees. The following statements are added to Item 5:

Based upon our financial condition, the Illinois Attorney General's Office has required that we defer the payment of all initial fees, payments, charges and amounts due to us, Alliance Laundry System, LLC or any affiliate is postponed until after we have completed all of initial obligations and your Speed Queen Business is open for business. For the Area Development Agreement, the full Development Fee must be paid after you open your first Speed Queen Business.

Item 17, Additional Disclosures. The following statements are added to Item 17:

Illinois law shall apply to and governs the Franchise Agreement and the Area Development Agreement.

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.

Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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.

Under Section 705/27 of the Illinois Franchise Disclosure Act, no action for liability under the Illinois Franchise Disclosure Act can be maintained unless brought before the expiration of three (3) years after the act or transaction constituting the violation upon which it is based, the expiration of one (1) year after you become aware of facts or circumstances reasonably indicating that you may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to you of a written notice disclosing the violation, whichever shall first expire. To the extent that the Franchise Agreement or Area Development Agreement is inconsistent with the Illinois Franchise Disclosure Act, Illinois law will control and supersede any inconsistent provision(s).

Item 22, Additional Disclosures. The following statements are added to Item 22:

No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. Any statements or representations

signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee's understanding of the law and facts as of the time of the franchisee's investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to these Additional Disclosures.

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES
REQUIRED BY THE STATE OF MARYLAND**

Item 5, Initial Fees. The following statements are added to Item 5:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees to us, Alliance Laundry System, LLC or any affiliate is postponed until after we have completed all of the 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 Area Development Agreement opens.

Item 17, Additional Disclosures. The following statements are added to Item 17:

The Franchise Agreement and Area Development Agreement provide for termination upon bankruptcy. These provisions may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101, et seq.).

Any provisions requiring you to sign a general release of claims against SPEED QUEEN LAUNDRY FRANCHISE LLC, including upon execution of the Franchise Agreement, Area Development Agreement, renewal or transfer, does not release any claim you may have under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Item 22, Additional Disclosures. The following statements are added to Item 22:

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.

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to these Additional Disclosures.

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES
REQUIRED BY THE STATE OF MICHIGAN**

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

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

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

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

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

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

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchisee on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchisee 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.

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

Any questions regarding these Additional Disclosures shall be directed to the Department of the Attorney General, Consumer Protection Division, 670 Law Building, 525 West Ottawa Street, Lansing, Michigan 48913, (517) 373-7717.

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES
REQUIRED BY THE STATE OF MINNESOTA**

1. **Initial Fees.** The following statement is added to Items 5 and 7:

Based upon our financial condition, the Minnesota Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments shall be deferred until the Franchised Business is open.

2. **Notice of Termination.** The following statement is added to Item 17:

With respect to franchises governed by Minnesota law, SPEED QUEEN Laundry Franchise LLC will comply with Minnesota Statute § 80C.14, subdivisions 3, 4, and 5 which requires, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.

3. **Choice of Forum and Law.** The following statement is added to the State Cover Page and Item 17:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreements can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

4. **General Release.** The following statement is added to Item 17:

Minnesota Rule 2860.4400D prohibits us from requiring you to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

5. **Waiver of Right to Jury Trial or Termination Penalties.** The following statement is added to Item 17:

Minnesota Rule 2860.4400J, among other things, prohibits us from requiring you to waive your rights to a jury trial or to consent to liquidated damages, termination penalties, or judgment notes; provided, that this part will not bar an exclusive arbitration clause.

6. **Contracts.** The following statements are added to Item 22:

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.

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES
REQUIRED BY THE STATE OF NEW YORK**

1. **State Cover Page.** The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT D 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 FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. 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 FRANCHISE DISCLOSURE DOCUMENT.

2. **Item 3, Additional Disclosure.** The following is added to the end of Item 3:

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. **Item 4, Additional Disclosure.** The following is added to the end of Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. **Item 17: Renewal, Termination, Transfer and Dispute Resolution**

A. The following is added to the end of the “Summary” sections of Item 17(c), titled “Requirements for franchisee to renew or extend,” and Item 17(m), entitled “Conditions for franchisor approval of transfer”:

However, to the extent required by applicable law, 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 General Business Law Sections 687.4 and 687.5 be satisfied.

B. The following language replaces the “Summary” section of Item 17(d), titled “Termination by franchisee”:

You may terminate the agreement on any grounds available by law.

C. The following is added to the end of the “Summary” section of Item 17(j), titled “Assignment of contract by franchisor”:

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor’s obligations under the Franchise Agreement and/or the Area Development Agreement.

D. The following is added to the end of the “Summary” sections of Item 17(v), titled “Choice of forum”, and Item 17(w), titled “Choice of law”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

Each provision of these Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of New York General Business Law, Article 33, Section 680 through 695, and of the Codes, Rules, and Regulations of the State of New York, Title 13, Chapter VII, Section 200.1 through 201.16, are met independently without reference to these Additional Disclosures.

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES
REQUIRED BY THE STATE OF NORTH DAKOTA**

Item 5, Initial Fees. The following statements are added to Item 5:

Based upon the franchisor's financial condition, the North Dakota Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement and the franchise is open for business.

Item 17, Additional Disclosures. The North Dakota Securities Commissioner has held the following to be unfair, unjust, or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):

- A. Restrictive Covenants: Franchise disclosure documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.
- B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.
- C. Restriction on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
- D. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.
- E. Applicable Laws: Franchise agreements which specify that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.
- F. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.
- G. Waiver of Exemplary and Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.
- H. General Release: Requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.
- I. Limitation of Claims: Requiring that North Dakota franchisees to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
- J. Enforcement of Agreement: Requiring that North Dakota franchisees to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in

any enforcement action is entitled to recover all costs and expenses including attorney's fees.

Item 22, Additional Disclosures. The following statements are added to Item 22:

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.

Each provision of the Additional Disclosures shall be effective only to the extent that the jurisdictional requirements of the North Dakota Franchise Investment Law, with respect to each such provision, are met independent of the Additional Disclosures. The Additional Disclosures shall have no force or effect if such jurisdictional requirements are not met.

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURE
REQUIRED BY THE STATE OF RHODE ISLAND**

Item 17, Additional Disclosure. The following statement is added to Item 17:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that: “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

The provision of this Additional Disclosure shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Law are met independently without reference to this Additional Disclosure.

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURE
REQUIRED BY THE STATE OF SOUTH DAKOTA**

In recognition of the requirements of the South Dakota Franchise Investment Law, South Dakota Codified Laws, Title 37, Chapter 37-5B, Sections 37-5B-1 through 37-5B-53, and the policies of the South Dakota Division of Securities, the Franchise Disclosure Document for Speed Queen Laundry Franchise LLC shall be amended by the addition of the following language:

Item 5, Initial Fees. The following statements are added to Item 5:

Based upon the franchisor's financial condition, the South Dakota Securities Regulation Office has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations and the franchise is open for business. Under the franchise agreement, the amounts are due when the franchised business opens. Under the development agreement, the amounts are due when the first franchised business opens.

This additional disclosure to the disclosure document shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the South Dakota Codified Laws, Title 37, Chapter 37-5B, Sections 37-5B-1 through 37-5B-53, are met independently without reference to this additional disclosure to the disclosure document.

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURES
REQUIRED BY THE COMMONWEALTH OF VIRGINIA**

In recognition of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Speed Queen Laundry Franchise LLC for use in the Commonwealth of Virginia shall be amended to include the following:

1. **Item 5** is amended by the addition of the following:

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 this agreement.

2. **Item 17** is amended by the addition of the following:

According to 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 or Area Development 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. **Item 22** is amended by the addition of the following.

No statement, questionnaire, or acknowledgement signed or agreed to by you 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 us, any franchise seller, or any other person acting on our behalf. This provision supersedes any other term of any document executed in connection with the franchise.

Each provision of the Additional Disclosures shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Virginia Retail Franchising Act are met independently, without reference to this Additional Disclosure.

**ADDITIONAL DISCLOSURE DOCUMENT DISCLOSURE
REQUIRED BY THE STATE OF WASHINGTON**

The Disclosure Document is amended by the addition of the following:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise 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 agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise 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 Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection 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 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 the franchise 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 the franchise agreement or elsewhere are void and unenforceable in Washington.

Item 5, Additional Disclosure. The following statement is added to Item 5:

In lieu of an impound of franchise fees, the Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under the franchise agreement or offering circular, and (b) is open for business. Because franchisor has material pre-opening obligations with respect to each franchised business Franchisee opens under the Area Development Agreement, payment of the franchise fee will be released proportionally with respect to each franchise outlet opened and until franchisor has met all its pre-opening obligations under the Agreement and Franchisee is open for business with respect to each such location.

Item 22, Additional Disclosures. The following statements are added to Item 22:

No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee's understanding of the law and facts as of the time of the franchisee's investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

The provision of this Additional Disclosure shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Washington Franchise Investment Protection Act are met independently without reference to this Additional Disclosure.

STATE-SPECIFIC AGREEMENT ADDENDA

**ADDENDA REQUIRED BY
THE STATE OF CALIFORNIA**

**ADDENDUM TO THE SPEED QUEEN LAUNDRY FRANCHISE LLC
FRANCHISE AGREEMENT
REQUIRED FOR CALIFORNIA FRANCHISEES**

This Addendum to the Speed Queen Laundry Franchise LLC Franchise Agreement dated _____ (“Franchise Agreement”) between Speed Queen Laundry Franchise LLC (“SQLF” or “Franchisor”) a limited liability company formed in Delaware and _____ [insert type of organization and delete these brackets] formed in _____ [insert state and delete these brackets] (“Franchisee”) is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of the franchise to Franchisee was made in the State of California; or **(B)** Franchisee is a resident of the State of California; and/or **(C)** the Franchised Business will be located and/or operated in the State of California.
2. Initial Franchise Fee. The following paragraph is added at the end of Section 10:

Notwithstanding the foregoing, in the State of California, SQLF will defer the payment of all initial franchise fees, any amounts due for purchase of equipment and any other amounts until SQLF has completed all of its pre-opening obligations and the Franchised Business is open for business.
3. Miscellaneous. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by facsimile and any other electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.
4. 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.

[Signatures on next page.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum on the day and year first above written.

**SPEED QUEEN LAUNDRY
FRANCHISE LLC**
a Delaware limited liability company

**FRANCHISEE: If a corporation,
partnership, or limited liability company,
print name of business entity on the line
below:**

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

If Franchisee is one or more individuals:

(Print Name) _____

Date: _____

(Print Name) _____

**ADDENDUM TO THE SPEED QUEEN LAUNDRY FRANCHISE LLC
AREA DEVELOPMENT AGREEMENT
REQUIRED FOR CALIFORNIA DEVELOPERS**

This Addendum to the Speed Queen Laundry Franchise LLC Area Development Agreement dated _____ (“Development Agreement”) between Speed Queen Laundry Franchise LLC (“SQLF” or “Franchisor”) a limited liability company formed in Delaware and _____ [insert type of organization and delete these brackets] formed in _____ [insert state and delete these brackets] (“Developer”) is entered into simultaneously with the execution of the Development Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of the franchise to Developer was made in the State of California; or **(B)** Developer is a resident of the State of California; and/or **(C)** the Development Area is located in the State of California.
2. Initial Development Fee. The following paragraph is added at the end of Section 9:

Notwithstanding the foregoing, in the State of California, SQLF will defer the payment of all initial fees, Initial Franchise Fee, and the Initial Development Fee until attributable to a specific unit in Developer’s area development schedule is deferred until that unit is open.
3. Miscellaneous. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by facsimile and any other electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.
4. 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.

[Signatures on next page.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum on the day and year first above written.

**SPEED QUEEN LAUNDRY
FRANCHISE LLC**
a Delaware limited liability company

By: _____
Print Name: _____
Title: _____

**DEVELOPER: If a corporation,
partnership, or limited liability company,
print name of business entity on the line
below:**

By: _____
Print Name: _____
Title: _____

If Developer is one or more individuals:

(Print Name) _____
Date: _____

(Print Name) _____

**ADDENDA REQUIRED BY
THE STATE OF ILLINOIS**

**ADDENDUM TO THE SPEED QUEEN LAUNDRY FRANCHISE LLC
FRANCHISE AGREEMENT
REQUIRED FOR ILLINOIS FRANCHISEES**

This Addendum to the Speed Queen Laundry Franchise LLC Franchise Agreement dated _____ (“Franchise Agreement”) between Speed Queen Laundry Franchise LLC (“SQLF” or “Franchisor”) a limited liability company formed in Delaware and _____ [insert type of organization and delete these brackets] formed in _____ [insert state and delete these brackets] (“Franchisee”) is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of the franchise to Franchisee was made in the State of Illinois; or **(B)** Franchisee is a resident of the State of Illinois; and/or **(C)** the Franchised Business will be located and/or operated in the State of Illinois.

2. Initial Franchise Fee. The following paragraph is added at the end of Section 10:

Notwithstanding the foregoing, in the State of Illinois, SQLF will defer the payment of all initial fees, payments, charges and amounts due to SQLF, Alliance Laundry System, LLC or any affiliate until after SQLF has completed all its initial obligations and the Franchised Business opens for business.

3. Termination. The following sentence is added at the end of Section 19:

Notwithstanding the foregoing, Franchisee’s rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

4. Choice of Law. The following sentence is added at the end of Sections 22 and 23.H:

Notwithstanding the foregoing, Illinois law shall govern this Agreement.

5. Choice of Forum. The following sentence is added to the end of Section 23.I:

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action that otherwise is enforceable in Illinois.

6. Acknowledgements. The following sentence is added to the end of Section 26:

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.

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.

7. Miscellaneous. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by facsimile and any other electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum on the day and year first above written.

**SPEED QUEEN LAUNDRY
FRANCHISE LLC**
a Delaware limited liability company

By: _____
Print Name: _____
Title: _____

**FRANCHISEE: If a corporation,
partnership, or limited liability company,
print name of business entity on the line
below:**

By: _____
Print Name: _____
Title: _____

If Franchisee is one or more individuals:

(Print Name) _____
Date: _____

(Print Name) _____

**ADDENDUM TO THE SPEED QUEEN LAUNDRY FRANCHISE LLC
AREA DEVELOPMENT AGREEMENT
REQUIRED FOR ILLINOIS DEVELOPERS**

This Addendum to the Speed Queen Laundry Franchise LLC Area Development Agreement dated _____ (“Development Agreement”) between Speed Queen Laundry Franchise LLC (“SQLF” or “Franchisor”) a limited liability company formed in Delaware and _____ [*insert type of organization and delete these brackets*] formed in _____ [*insert state and delete these brackets*] (“Developer”) is entered into simultaneously with the execution of the Development Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of the franchise to Developer was made in the State of Illinois; or **(B)** Developer is a resident of the State of Illinois; and/or **(C)** the Development Area is located in the State of Illinois.

2. Initial Development Fee. The following paragraph is added at the end of Section 9:

Notwithstanding the foregoing, in the State of Illinois, SQLF will defer the payment of the Initial Development Fee until after Developer’s first Speed Queen Store developed under this Agreement opens for business.

3. Termination. The following sentence is added at the end of Section 15:

Notwithstanding the foregoing, Developer’s rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

4. Choice of Law. The following sentence is added at the end of Sections 22 and 23.F:

Notwithstanding the foregoing, Illinois law shall govern this Agreement.

5. Choice of Forum. The following sentence is added to the end of Section 23.H:

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action that otherwise is enforceable in Illinois.

6. Acknowledgements. The following sentence is added to the end of Section 24:

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.

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.

7. Miscellaneous. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by facsimile and any other electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum on the day and year first above written.

**SPEED QUEEN LAUNDRY
FRANCHISE LLC**
a Delaware limited liability company

By: _____
Print Name: _____
Title: _____

**DEVELOPER: If a corporation,
partnership, or limited liability company,
print name of business entity on the line
below:**

By: _____
Print Name: _____
Title: _____

If Developer is one or more individuals:

(Print Name) _____
Date: _____

(Print Name) _____

**ADDENDUM REQUIRED BY
THE STATE OF MARYLAND**

**ADDENDUM TO THE SPEED QUEEN LAUNDRY FRANCHISE LLC
FRANCHISE AGREEMENT
REQUIRED FOR MARYLAND FRANCHISEES**

This Addendum to the Speed Queen Laundry Franchise LLC Franchise Agreement dated _____ (“Franchise Agreement”) between Speed Queen Laundry Franchise LLC (“SQLF” or “Franchisor”) a limited liability company formed in Delaware and _____ [insert type of organization and delete these brackets] formed in _____ [insert state and delete these brackets] (“Franchisee”) is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Franchisee was made in the State of Maryland; **(B)** Franchisee is a resident of the State of Maryland; and/or **(C)** the Franchised Business will be located and/or operated in the State of Maryland.

2. Initial Franchise Fee. The following paragraph is added at the end of Section 10:

Notwithstanding the foregoing, in the State of Maryland, SQLF will defer the payment of the Initial Franchise Fee and any other initial fees and payments owed by Franchisee to SQLF, Alliance Laundry System, LLC or any affiliate until SQLF has completed all of its pre-opening obligations under this Agreement and the Franchised Business is open for business.

3. Releases. The following sentence is added to the end of Sections 17.C and 18.B(7):

This release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. Choice of Law. The following sentence is added to the end of Sections 22 and 23.H:

Notwithstanding the foregoing, the Maryland Franchise Registration and Disclosure Law shall govern any claim arising under that Law.

5. Choice of Forum. The following sentence is added to the end of Section 23.I:

Notwithstanding the foregoing, Franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. Acknowledgments. The following sentence is added to the end of Section 26:

Section 14-226 of the Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel, or waiver of liability as a condition of purchasing a franchise. Any such representations in this Agreement 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.

7. Miscellaneous. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by facsimile and any other electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

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 hereto have duly executed this Addendum on the day and year first above written.

**SPEED QUEEN LAUNDRY
FRANCHISE LLC**
a Delaware limited liability company

**FRANCHISEE: If a corporation,
partnership, or limited liability company,
print name of business entity on the line
below:**

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

If Franchisee is one or more individuals:

(Print Name) _____
Date: _____

(Print Name) _____

**ADDENDUM TO THE SPEED QUEEN LAUNDRY FRANCHISE LLC
AREA DEVELOPMENT AGREEMENT
REQUIRED FOR MARYLAND DEVELOPERS**

This Addendum to the Speed Queen Laundry Franchise LLC Area Development Agreement dated _____ (“Development Agreement”) between Speed Queen Laundry Franchise LLC (“SQLF” or “Franchisor”) a limited liability company formed in Delaware and _____ [insert type of organization and delete these brackets] formed in _____ [insert state and delete these brackets] (“Developer”) is entered into simultaneously with the execution of the Development Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Developer was made in the State of Maryland; **(B)** Developer is a resident of the State of Maryland; and/or **(C)** the Development Area will be located in the State of Maryland.

2. Initial Development Fee. The following paragraph is added at the end of Section 9:

Notwithstanding the foregoing, in the State of Maryland, SQLF will defer the payment of the Initial Development Fee and any other initial fees and payments owed by Developer to SQLF, Alliance Laundry System, LLC or any affiliate until the first Speed Queen Store developed under this Agreement opens for business.

3. Releases. The following sentence is added to the end of Section 17.C:

This release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. Choice of Law. The following sentence is added to the end of Sections 22 and 23.F:

Notwithstanding the foregoing, the Maryland Franchise Registration and Disclosure Law shall govern any claim arising under that Law.

5. Choice of Forum. The following sentence is added to the end of Section 23.H:

Notwithstanding the foregoing, Developer may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. Acknowledgments. The following sentence is added to the end of Section 24:

Section 14-226 of the Maryland Franchise Registration and Disclosure Law prohibits a franchisor from requiring a prospective franchisee to assent to any release, estoppel, or waiver of liability as a condition of purchasing a franchise. Any such representations in this Agreement 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.

7. Miscellaneous. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by facsimile and any other electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

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 hereto have duly executed this Addendum on the day and year first above written.

**SPEED QUEEN LAUNDRY
FRANCHISE LLC**
a Delaware limited liability company

**DEVELOPER: If a corporation,
partnership, or limited liability company,
print name of business entity on the line
below:**

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

If Developer is one or more individuals:

(Print Name) _____
Date: _____

(Print Name) _____

**ADDENDUM REQUIRED BY
THE STATE OF MINNESOTA**

**ADDENDUM TO THE SPEED QUEEN LAUNDRY FRANCHISE LLC
FRANCHISE AGREEMENT
REQUIRED FOR MINNESOTA FRANCHISEES**

This Addendum to the Speed Queen Laundry Franchise LLC Franchise Agreement dated _____ (“Franchise Agreement”) between Speed Queen Laundry Franchise LLC (“SQLF” or “Franchisor”) a limited liability company formed in Delaware and _____ [insert type of organization and delete these brackets] formed in _____ [insert state and delete these brackets] (“Franchisee”) is entered into simultaneously with the execution of the Franchise Agreement.

1. Initial Franchise Fee. The following sentences are added to the end of Section 10.A:

Notwithstanding the foregoing, in the State of Minnesota, Franchisor will defer payment of the Initial Franchise Fee until the Franchised Business opens for business. Upon the opening of the Franchised Business, Franchisee shall pay the Initial Franchise Fee to Franchisor.

2. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Franchisee was made in the State of Minnesota; **(B)** Franchisee is a resident of the State of Minnesota; and/or **(C)** the Franchised Business will be located and/or operated in the State of Minnesota.

3. The following sentence is added to the end of Section 10.F:

Minnesota Statute 604.113 prohibits Franchisor from charging more than \$30 for insufficient funds charges.

4. Releases. The following sentence is added to the end of 17.C and 18.B(7):

Notwithstanding the foregoing, Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

5. Non-Renewal. The following sentence is added to the end of Section 18:

With respect to franchises governed by Minnesota law, Franchisor will comply with Minnesota Statute § 80C.14, Subdivision 3, 4, and 5 which requires, except in certain cases, that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of franchise agreements.

6. Termination. The following sentence is added to the end of Section 19:

With respect to franchises governed by Minnesota law, Franchisor will comply with Minnesota Statute § 80C.14, Subdivision 3, 4, and 5 which requires, except in certain cases,

that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of franchise agreements.

7. Choice of Venue. The following sentences are added to the end of Section 23.I:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibits Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreements can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

8. Waiver of Jury Trial. Section 23.F is deleted.

9. Injunctive Relief. The following sentence is added to the end of Sections 21.D and 23.C:

Notwithstanding the foregoing, Franchisee may not consent to Franchisor obtaining injunctive relief. Franchisor may seek injunctive relief. See Minn. Rule 2860.4400J. A court will determine if a bond is required.

10. Miscellaneous. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by facsimile and any other electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum on the day and year first above written.

**SPEED QUEEN LAUNDRY
FRANCHISE LLC**
a Delaware limited liability company

By: _____
Print Name: _____
Title: _____

**FRANCHISEE: If a corporation,
partnership, or limited liability company,
print name of business entity on the line
below:**

By: _____
Print Name: _____
Title: _____

If Franchisee is one or more individuals:

(Print Name) _____
Date: _____

(Print Name) _____

**ADDENDUM TO THE SPEED QUEEN LAUNDRY FRANCHISE LLC
AREA DEVELOPMENT AGREEMENT
REQUIRED FOR MINNESOTA DEVELOPERS**

This Addendum to the Speed Queen Laundry Franchise LLC Area Development Agreement dated _____ (“Development Agreement”) between Speed Queen Laundry Franchise LLC (“SQLF” or “Franchisor”) a limited liability company formed in Delaware and _____ [*insert type of organization and delete these brackets*] formed in _____ [*insert state and delete these brackets*] (“Developer”) is entered into simultaneously with the execution of the Development Agreement.

1. Initial Development Fee. The following sentences are added to the end of Section 9.A:

Notwithstanding the foregoing, in the State of Minnesota, Franchisor will defer payment of the Initial Development Fee until the first Franchised Business opens for business. Upon the opening of the first Franchised Business, Franchisee shall pay the Initial Development Fee.

2. The provisions of this Addendum form an integral part of, and are incorporated into the Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Developer was made in the State of Minnesota; **(B)** Developer is a resident of the State of Minnesota; and/or **(C)** part or all of the Development Area will be located in the State of Minnesota.

3. The following sentence is added to the end of Section 9.C:

Minnesota Statute 604.113 prohibits Franchisor from charging more than \$30 for insufficient funds charges.

4. Releases. The following sentence is added to the end of 17.C:

Notwithstanding the foregoing, Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

5. Termination. The following sentence is added to the end of Section 15:

With respect to franchises governed by Minnesota law, Franchisor will comply with Minnesota Statute § 80C.14, Subdivision 3, 4, and 5 which requires, except in certain cases, that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of franchise agreements.

6. Choice of Venue. The following sentences are added to the end of Section 23.H:

Minnesota Statute § 80C.21 and Minnesota Rule 2860.4400J prohibits Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreements can abrogate or reduce any of Franchisee’s rights as

provided for in Minnesota Statutes, Chapter 80C, or Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

7. Waiver of Jury Trial. Section 23.I is deleted.

8. Injunctive Relief. The following sentence is added to the end of Sections 11.D and 23.C:

Notwithstanding the foregoing, Franchisee may not consent to Franchisor obtaining injunctive relief. Franchisor may seek injunctive relief. See Minn. Rule 2860.4400J. A court will determine if a bond is required.

9. Miscellaneous. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by facsimile and any other electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum on the day and year first above written.

**SPEED QUEEN LAUNDRY
FRANCHISE LLC**
a Delaware limited liability company

**DEVELOPER: If a corporation,
partnership, or limited liability company,
print name of business entity on the line
below:**

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

If Developer is one or more individuals:

(Print Name) _____
Date: _____

(Print Name) _____

**ADDENDUM REQUIRED BY
THE STATE OF NEW YORK**

**ADDENDUM TO THE SPEED QUEEN LAUNDRY FRANCHISE LLC
FRANCHISE AGREEMENT
REQUIRED FOR NEW YORK FRANCHISEES**

This Addendum to the Speed Queen Laundry Franchise LLC Franchise Agreement dated _____ (“Franchise Agreement”) between Speed Queen Laundry Franchise LLC (“SQLF” or “Franchisor”) a limited liability company formed in Delaware and _____ [*insert type of organization and delete these brackets*] formed in _____ [*insert state and delete these brackets*] (“Franchisee”) is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Franchisee was made in the State of New York; **(B)** Franchisee is a resident of the State of New York; and/or **(C)** the Franchised Business will be located and/or operated in the State of New York.
2. Any provision in the Franchise Agreement that is inconsistent with the New York General Business Law, Article 33, Sections 680 – 695, may not be enforceable.
3. The following sentence is added to the end of Sections 17.C and 18.B(7):

Any provision in this Agreement requiring Franchisee to sign a general release of claims against SQLF does not release any claim Franchisee may have under New York General Business Law, Article 33, Sections 680-695.

4. The following sentence is added to Section 17.A:

SQLF will not assign its rights under this Agreement, except to an assignee who in SQLF’s good faith and judgment is willing and able to assume its obligations under this Agreement.

5. The following sentence is added to the end of Sections 21.D, 22, and 23.C:

SQLF’s right to obtain injunctive relief exists only after proper proofs are made and the appropriate authority has granted such relief.

6. The following sentence is added to the end of Section 23.H:

Notwithstanding the foregoing, the New York Franchises Law shall govern any claim arising under that law.

7. Miscellaneous. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the

same agreement. Delivery of an executed counterpart of a signature page of this Addendum by facsimile and any other electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum on the day and year first above written.

**SPEED QUEEN LAUNDRY
FRANCHISE LLC**
a Delaware limited liability company

**FRANCHISEE: If a corporation,
partnership, or limited liability company,
print name of business entity on the line
below:**

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

If Franchisee is one or more individuals:

(Print Name) _____
Date: _____

(Print Name) _____

**ADDENDUM TO THE SPEED QUEEN LAUNDRY FRANCHISE LLC
AREA DEVELOPMENT AGREEMENT
REQUIRED FOR NEW YORK DEVELOPERS**

This Addendum to the Speed Queen Laundry Franchise LLC Area Development Agreement dated _____ (“Development Agreement”) between Speed Queen Laundry Franchise LLC (“SQLF” or “Franchisor”) a limited liability company formed in Delaware and _____ [*insert type of organization and delete these brackets*] formed in _____ [*insert state and delete these brackets*] (“Developer”) is entered into simultaneously with the execution of the Development Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Developer was made in the State of New York; **(B)** Developer is a resident of the State of New York; and/or **(C)** the Development Area is located in the State of New York.
2. Any provision in the Development Agreement that is inconsistent with the New York General Business Law, Article 33, Sections 680 – 695, may not be enforceable.
3. The following sentence is added to the end of Section 17:

Any provision in this Agreement requiring Developer to sign a general release of claims against SQLF does not release any claim Developer may have under New York General Business Law, Article 33, Sections 680-695.

4. The following sentence is added to Section 17.A:

SQLF will not assign its rights under this Agreement, except to an assignee who in its good faith and judgment is willing and able to assume SLQF’s obligations under this Agreement.

5. The following sentence is added to the end of Sections 11.D, 22 and 23.C:

SLQF’s right to obtain injunctive relief exists only after proper proofs are made and the appropriate authority has granted such relief.

6. The following sentence is added to the end of Sections 22 and 23.F:

Notwithstanding the foregoing, the New York Franchises Law shall govern any claim arising under that law.

7. Miscellaneous. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and

the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by facsimile and any other electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum on the day and year first above written.

**SPEED QUEEN LAUNDRY
FRANCHISE LLC**
a Delaware limited liability company

By: _____
Print Name: _____
Title: _____

**DEVELOPER: If a corporation,
partnership, or limited liability company,
print name of business entity on the line
below:**

By: _____
Print Name: _____
Title: _____

If Developer is one or more individuals:

(Print Name) _____
Date: _____

(Print Name) _____

**ADDENDUM REQUIRED BY
THE STATE OF NORTH DAKOTA**

**ADDENDUM TO THE SPEED QUEEN LAUNDRY FRANCHISE LLC
FRANCHISE AGREEMENT
REQUIRED FOR NORTH DAKOTA FRANCHISEES**

This Addendum to the Speed Queen Laundry Franchise LLC Franchise Agreement dated _____ (“Franchise Agreement”) between Speed Queen Laundry Franchise LLC (“SQLF” or “Franchisor”) a limited liability company formed in Delaware and _____ [*insert type of organization and delete these brackets*] formed in _____ [*insert state and delete these brackets*] (“Franchisee”) is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Franchisee was made in the State of North Dakota; **(B)** Franchisee is a resident of the State of North Dakota; and/or **(C)** the Franchised Business will be located and/or operated in the State of North Dakota.

2. Initial Franchise Fee. The following paragraph is added at the end of Section 10:

Based upon our financial condition, the North Dakota Securities Commissioner has required a financial assurance. Therefore, SQLF will defer the payment of the Initial Franchise Fee and any other initial fees and payments owed by Franchisee to SQLF, Alliance Laundry System, LLC or any affiliate until SQLF has completed all of its pre-opening obligations under this Agreement and the Franchised Business is open for business.

3. The North Dakota Securities Commissioner has held the following to be unfair, unjust, or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):
 - A. Restrictive Covenants: Franchise disclosure documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.
 - B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.
 - C. Restriction on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
 - D. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

- E. Applicable Laws: Franchise agreements which specify that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.
 - F. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.
 - G. Waiver of Exemplary and Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.
 - H. General Release: Requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.
 - I. Limitation of Claims: Requiring that North Dakota franchisees to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
 - J. Enforcement of Agreement: Requiring that North Dakota franchisees to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.
4. Miscellaneous. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by facsimile and any other electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

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 hereto have duly executed this Addendum on the day and year first above written.

**SPEED QUEEN LAUNDRY
FRANCHISE LLC**
a Delaware limited liability company

**FRANCHISEE: If a corporation,
partnership, or limited liability company,
print name of business entity on the line
below:**

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

If Franchisee is one or more individuals:

(Print Name) _____
Date: _____

(Print Name) _____

**ADDENDUM TO THE SPEED QUEEN LAUNDRY FRANCHISE LLC
AREA DEVELOPMENT AGREEMENT
REQUIRED FOR NORTH DAKOTA DEVELOPERS**

This Addendum to the Speed Queen Laundry Franchise LLC Area Development Agreement dated _____ (“Development Agreement”) between Speed Queen Laundry Franchise LLC (“SQLF” or “Franchisor”) a limited liability company formed in Delaware and _____ *[insert type of organization and delete these brackets]* formed in _____ *[insert state and delete these brackets]* (“Developer”) is entered into simultaneously with the execution of the Development Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Developer was made in the State of North Dakota; **(B)** Developer is a resident of the State of North Dakota; and/or **(C)** part or all of the Development Area is located in the State of North Dakota.

2. Initial Development Fee. The following paragraph is added at the end of Section 9:

Based upon our financial condition, the North Dakota Securities Commissioner has required a financial assurance. Therefore, SQLF will defer the payment of the Initial Development Fee and any other initial fees and payments owed by Developer to SQLF, Alliance Laundry System, LLC or any affiliate until the first Speed Queen Store developed under this Agreement opens for business.

3. The North Dakota Securities Commissioner has held the following to be unfair, unjust, or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):

- A. Restrictive Covenants: Franchise disclosure documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.
- B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.
- C. Restriction on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
- D. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.
- E. Applicable Laws: Franchise agreements which specify that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.

- F. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.
 - G. Waiver of Exemplary and Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.
 - H. General Release: Requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.
 - I. Limitation of Claims: Requiring that North Dakota franchisees to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
 - J. Enforcement of Agreement: Requiring that North Dakota franchisees to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.
4. Miscellaneous. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by facsimile and any other electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

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 hereto have duly executed this Addendum on the day and year first above written.

**SPEED QUEEN LAUNDRY
FRANCHISE LLC**
a Delaware limited liability company

**DEVELOPER: If a corporation,
partnership, or limited liability company,
print name of business entity on the line
below:**

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

If Developer is one or more individuals:

(Print Name) _____
Date: _____

(Print Name) _____

ADDENDUM REQUIRED BY

THE STATE OF RHODE ISLAND

**ADDENDUM TO THE SPEED QUEEN LAUNDRY FRANCHISE LLC
FRANCHISE AGREEMENT
REQUIRED FOR RHODE ISLAND FRANCHISEES**

This Addendum to the Speed Queen Laundry Franchise LLC Franchise Agreement dated _____ (“Franchise Agreement”) between Speed Queen Laundry Franchise LLC (“SQLF” or “Franchisor”) a limited liability company formed in Delaware and _____ [insert type of organization and delete these brackets] formed in _____ [insert state and delete these brackets] (“Franchisee”) is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Franchisee was made in the State of Rhode Island; **(B)** Franchisee is a resident of the State of Rhode Island; and/or **(C)** the Franchised Business will be located and/or operated in the State of Rhode Island.
2. The following language is added to Sections 22, 23.H and 23.I:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”
3. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by facsimile and any other electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

[Signatures on next page.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum on the day and year first above written.

**SPEED QUEEN LAUNDRY
FRANCHISE LLC**
a Delaware limited liability company

**FRANCHISEE: If a corporation,
partnership, or limited liability company,
print name of business entity on the line
below:**

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

If Franchisee is one or more individuals:

(Print Name) _____

Date: _____

(Print Name) _____

1.

**ADDENDUM TO THE SPEED QUEEN LAUNDRY FRANCHISE LLC
AREA DEVELOPMENT AGREEMENT
REQUIRED FOR RHODE ISLAND DEVELOPERS**

This Addendum to the Speed Queen Laundry Franchise LLC Area Development Agreement dated _____ (“Development Agreement”) between Speed Queen Laundry Franchise LLC (“SQLF” or “Franchisor”) a limited liability company formed in Delaware and _____ [insert type of organization and delete these brackets] formed in _____ [insert state and delete these brackets] (“Developer”) is entered into simultaneously with the execution of the Development Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Developer was made in the State of Rhode Island; **(B)** Developer is a resident of the State of Rhode Island; and/or **(C)** the Development Area will be located in the State of Rhode Island.

2. The following language is added to Sections 22, 23.F, and 23.H:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

3. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by facsimile and any other electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

[Signatures on next page.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum on the day and year first above written.

**SPEED QUEEN LAUNDRY
FRANCHISE LLC**
a Delaware limited liability company

By: _____
Print Name: _____
Title: _____

**DEVELOPER: If a corporation,
partnership, or limited liability company,
print name of business entity on the line
below:**

By: _____
Print Name: _____
Title: _____

If Developer is one or more individuals:

(Print Name) _____
Date: _____

(Print Name) _____

ADDENDUM REQUIRED BY

THE STATE OF SOUTH DAKOTA

**ADDENDUM TO THE SPEED QUEEN LAUNDRY FRANCHISE LLC
FRANCHISE AGREEMENT
REQUIRED FOR SOUTH DAKOTA FRANCHISEES**

This Addendum to the Speed Queen Laundry Franchise LLC Franchise Agreement dated _____ (“Franchise Agreement”) between Speed Queen Laundry Franchise LLC (“SQLF” or “Franchisor”) a limited liability company formed in Delaware and _____ [insert type of organization and delete these brackets] formed in _____ [insert state and delete these brackets] (“Franchisee”) is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of the franchise to Franchisee was made in the State of South Dakota; or **(B)** Franchisee is a resident of the State of South Dakota; and/or **(C)** the Franchised Business will be located and/or operated in the State of South Dakota.

2. Initial Franchise Fee. The following paragraph is added at the end of Section 10:

Notwithstanding the foregoing, in the State of South Dakota, SQLF will defer the payment of the initial franchise fees and the any amounts due for purchase of technology package and laundry equipment until SQLF has completed all of its pre-opening obligations and the Franchised Business is open for business.

3. Miscellaneous. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by facsimile and any other electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

[Signatures on next page.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum on the day and year first above written.

**SPEED QUEEN LAUNDRY
FRANCHISE LLC**
a Delaware limited liability company

By: _____
Print Name: _____
Title: _____

**FRANCHISEE: If a corporation,
partnership, or limited liability company,
print name of business entity on the line
below:**

By: _____
Print Name: _____
Title: _____

If Franchisee is one or more individuals:

(Print Name) _____
Date: _____

(Print Name) _____

**ADDENDUM TO THE SPEED QUEEN LAUNDRY FRANCHISE LLC
AREA DEVELOPMENT AGREEMENT
REQUIRED FOR SOUTH DAKOTA DEVELOPERS**

This Addendum to the Speed Queen Laundry Franchise LLC Area Development Agreement dated _____ (“Development Agreement”) between Speed Queen Laundry Franchise LLC (“SQLF” or “Franchisor”) a limited liability company formed in Delaware and _____ [*insert type of organization and delete these brackets*] formed in _____ [*insert state and delete these brackets*] (“Developer”) is entered into simultaneously with the execution of the Development Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into the Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of the franchise to Developer was made in the State of South Dakota; or **(B)** Developer is a resident of the State of South Dakota; and/or **(C)** the Development Area is located in the State of South Dakota.

2. Initial Development Fee. The following paragraph is added at the end of Section 9:

Notwithstanding the foregoing, in the State of South Dakota, SQLF will defer the payment of the development fee until the first unit under that Agreement opens for business.

3. Miscellaneous. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by facsimile and any other electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

[Signatures on next page.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum on the day and year first above written.

**SPEED QUEEN LAUNDRY
FRANCHISE LLC**
a Delaware limited liability company

By: _____
Print Name: _____
Title: _____

**DEVELOPER: If a corporation,
partnership, or limited liability company,
print name of business entity on the line
below:**

By: _____
Print Name: _____
Title: _____

If Developer is one or more individuals:

(Print Name) _____
Date: _____

(Print Name) _____

ADDENDUM REQUIRED BY
THE COMMONWEALTH OF VIRGINIA

**ADDENDUM TO THE SPEED QUEEN LAUNDRY FRANCHISE LLC
FRANCHISE AGREEMENT
REQUIRED FOR VIRGINIA FRANCHISEES**

This Addendum to the Speed Queen Laundry Franchise LLC Franchise Agreement dated _____ (“Franchise Agreement”) between Speed Queen Laundry Franchise LLC (“SQLF” or “Franchisor”) a limited liability company formed in Delaware and _____ [insert type of organization and delete these brackets] formed in _____ [insert state and delete these brackets] (“Franchisee”) is entered into simultaneously with the execution of the Franchise Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Franchisee was made in the Commonwealth of Virginia; **(B)** Franchisee is a resident of the Commonwealth of Virginia; and/or **(C)** the Franchised Business will be located and/or operated in the Commonwealth of Virginia.

2. The following language is added to Section 10:

The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires SQLF to defer payment of the Initial Franchise Fee and other initial payments owed by Franchisee to SQLF until SQLF has completed its pre-opening obligations under this Agreement.

3. The following language is added to Sections ~~24.1~~22, 23.H and ~~24.2~~23.I:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

4. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by facsimile and any other electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

[Signatures on next page.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum on the day and year first above written.

**SPEED QUEEN LAUNDRY
FRANCHISE LLC**
a Delaware limited liability company

**FRANCHISEE: If a corporation,
partnership, or limited liability company,
print name of business entity on the line
below:**

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

If Franchisee is one or more individuals:

(Print Name) _____

Date: _____

(Print Name) _____

1.

**ADDENDUM TO THE SPEED QUEEN LAUNDRY FRANCHISE LLC
AREA DEVELOPMENT AGREEMENT
REQUIRED FOR VIRGINIA DEVELOPERS**

This Addendum to the Speed Queen Laundry Franchise LLC Area Development Agreement dated _____ (“Development Agreement”) between Speed Queen Laundry Franchise LLC (“SQLF” or “Franchisor”) a limited liability company formed in Delaware and _____ [insert type of organization and delete these brackets] formed in _____ [insert state and delete these brackets] (“Developer”) is entered into simultaneously with the execution of the Development Agreement.

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Developer was made in the Commonwealth of Virginia; **(B)** Developer is a resident of the Commonwealth of Virginia; and/or **(C)** the Development Area is located in the Commonwealth of Virginia.

2. The following language is added to Section 9:

The Virginia State Corporation Commission’s Division of Securities and Retail Franchising requires SQLF to defer payment of the Initial Development Fee and other initial payments owed by Developer to SQLF until Developer has opened its first Speed Queen Store under this Agreement.

3. The following language is added to Sections 22, 23.F, and 23.H:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

4. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by facsimile and any other electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

[Signatures on next page.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum on the day and year first above written.

**SPEED QUEEN LAUNDRY
FRANCHISE LLC**
a Delaware limited liability company

**DEVELOPER: If a corporation,
partnership, or limited liability company,
print name of business entity on the line
below:**

By: _____
Print Name: _____
Title: _____

By: _____
Print Name: _____
Title: _____

If Developer is one or more individuals:

(Print Name) _____

Date: _____

(Print Name) _____

1.

ADDENDA REQUIRED BY
THE STATE OF WASHINGTON

**ADDENDUM TO THE SPEED QUEEN LAUNDRY FRANCHISE LLC
FRANCHISE AGREEMENT
REQUIRED FOR WASHINGTON FRANCHISEES**

This Addendum to the Speed Queen Laundry Franchise LLC Franchise Agreement dated _____ (“Franchise Agreement”) between Speed Queen Laundry Franchise LLC (“SQLF” or “Franchisor”) a limited liability company formed in Delaware and _____ [insert type of organization and delete these brackets] formed in _____ [insert state and delete these brackets] (“Franchisee”) is entered into simultaneously with the execution of the Franchise Agreement..

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Franchise Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Franchisee was made in the State of Washington; **(B)** Franchisee is a resident of the State of Washington; and/or **(C)** the Franchised Business will be located and/or operated in the State of Washington.
2. The following statement is added to Section 10 of the Franchise Agreement:

The State of Washington has imposed a financial condition under which the initial franchise fees due will be deferred until the Franchisor has fulfilled its initial pre-opening obligations under this Agreement and the Franchised Business is open for business.
3. The state of Washington has a statute, the Washington Franchise Investment Protection Act, RCW 19.100.180 (“Act”), which may supersede this Agreement in your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There also may be court decisions that may supersede this Agreement in your relationship with the franchisor, including in the areas of termination and renewal of your franchise.
4. 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 the Franchise Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.
5. 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 the Franchise Agreement or elsewhere are void and unenforceable in Washington.
6. In the event of a conflict of laws, the provisions of the Act shall prevail.

7. A release or waiver of rights executed by Franchisee shall not include rights under the Act 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, rights or remedies under the Act such as a right to a jury trial may not be enforceable.
8. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
9. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the Franchise 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 Washington Franchise Investment Protection Act, in Washington.
10. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by facsimile and any other electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

[Signatures on next page.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum on the day and year first above written.

**SPEED QUEEN LAUNDRY
FRANCHISE LLC**
a Delaware limited liability company

By: _____
Print Name: _____
Title: _____

**FRANCHISEE: If a corporation,
partnership, or limited liability company,
print name of business entity on the line
below:**

By: _____
Print Name: _____
Title: _____

If Franchisee is one or more individuals:

(Print Name) _____
Date: _____

(Print Name) _____

**ADDENDUM TO THE SPEED QUEEN LAUNDRY FRANCHISE LLC
AREA DEVELOPMENT AGREEMENT
REQUIRED FOR WASHINGTON DEVELOPERS**

This Addendum to the Speed Queen Laundry Franchise LLC Area Development Agreement dated _____ (“Development Agreement”) between Speed Queen Laundry Franchise LLC (“SQLF” or “Franchisor”) a limited liability company formed in Delaware and _____ [*insert type of organization and delete these brackets*] formed in _____ [*insert state and delete these brackets*] (“Developer”) is entered into simultaneously with the execution of the Development Agreement..

1. The provisions of this Addendum form an integral part of, and are incorporated into, the Development Agreement. This Addendum is being executed because: **(A)** the offer or sale of a franchise to Developer was made in the State of Washington; **(B)** Developer is a resident of the State of Washington; and/or **(C)** the Development Area is located in the State of Washington.

2. The following statement is added to Section 9 of the Development Agreement:

Because Franchisor has material pre-opening obligations with respect to each franchised Speed Queen Store opened under this Agreement, payment of the initial development fee will be paid proportionally with respect to each franchised Speed Queen Store opened until Franchisor has met all its pre-opening obligations under this Agreement and Developer/Franchisee is open for business with respect to each such location.

3. The state of Washington has a statute, the Washington Franchise Investment Protection Act, RCW 19.100.180 (“Act”), which may supersede this Agreement in your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There also may be court decisions that may supersede this Agreement in your relationship with the franchisor, including in the areas of termination and renewal of your franchise.

4. 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 the Development Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

5. 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 the Development Agreement or elsewhere are void and unenforceable in Washington.

6. In the event of a conflict of laws, the provisions of the Act shall prevail.
7. A release or waiver of rights executed by Developer shall not include rights under the Act 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, rights or remedies under the Act such as a right to a jury trial may not be enforceable.
8. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
9. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the Development 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 Washington Franchise Investment Protection Act, in Washington.
10. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect. This Addendum may be executed in multiple counterparts, each of which when executed and delivered shall be deemed an original and all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page of this Addendum by facsimile and any other electronic transmission (including PDF) shall be as effective as delivery of a manually executed counterpart of this Addendum.

[Signatures on next page.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum on the day and year first above written.

**SPEED QUEEN LAUNDRY
FRANCHISE LLC**
a Delaware limited liability company

By: _____
Print Name: _____
Title: _____

**DEVELOPER: If a corporation,
partnership, or limited liability company,
print name of business entity on the line
below:**

By: _____
Print Name: _____
Title: _____

If Developer is one or more individuals:

(Print Name) _____
Date: _____

(Print Name) _____

EXHIBIT J
ALLIANCE LAUNDRY SYSTEMS LLC
PROMISSORY NOTE, PERSONAL GUARANTY, AND SECURITY AGREEMENT

**ALLIANCE LAUNDRY SYSTEMS LLC
PROMISSORY NOTE**

\$«Loan_w_Fee»

[DATE]

FOR VALUE RECEIVED, the undersigned, «Entity», a (XX) «Entity_Type», organized under the laws of the State of «State_INC» (the "Borrower") promises to pay to the order of Alliance Laundry Systems LLC, a limited liability company (together with any other holder hereof, the "Lender"), at its offices at P.O. Box 990, Shepard Street, Ripon, WI 54971, or at such other place as Lender may from time to time designate in writing, without grace, the principal sum of «Loan_in_Words» Dollars (\$«Loan_w_Fee») or so much thereof as has been advanced hereunder, together with interest on the unpaid balance of the principal from time to time outstanding at the rate in effect from time to time, calculated on the basis of a three hundred sixty (360) day year consisting of twelve (12) months of thirty (30) days each. In addition, Borrower agrees to immediately pay to Lender a documentation fee of \$«Fee_Amnt» to reimburse Lender for its administrative and recording costs, which has been capitalized into the principal balance of the loan.

Interest Rate - The interest rate applicable to the outstanding principal sum in any month (or part thereof) shall be a rate determined by adding «Spread_Wd» basis points («Spread_No»% per annum) to the "Prime Rate", which shall mean the highest "prime rate" rate of interest published, from time to time, by The Wall Street Journal.

In the event that the interest rate changes from the Initial Interest Rate, Lender shall, with the next invoice that it delivers to Borrower after such interest rate change has occurred, provide Borrower with the adjusted interest payable for the next payment due date (the "Interest Billing"). Borrower and Lender agrees that such Interest Billing shall be effective and shall be deemed received by Borrower: (a) on the second business day after deposit in the mail, postage prepaid and addressed to the Borrower's last known address; or (b) upon transmission by telecopier; or (c) on the business day following the day of deposit with an overnight courier. Notwithstanding anything to the contrary contained in this Note, the failure to provide the Interest Billing shall not excuse Borrower from its obligation to pay principal or interest as described in the following paragraph.

Installment Payments: Principal and interest under this Note shall be payable as follows:

- a. **Deferral Period** – Payments will be deferred for «Days_Deferred_Words» («Days_Deferred_No») days during which time interest will accrue and be capitalized into the principal balance of the loan.
- b. **Interest** - Commencing upon the day of acceptance of this Note by Lender and continuing on the same day of each month thereafter (each, a "Payment due date"), until the Maturity Date (hereinafter defined), Borrower shall pay the full amount of all accrued and unpaid interest. **The first «Months_IO_Words» («Months_IO_No») payments will be interest only.** Such amount shall be determined by Lender in accordance with the preceding paragraph, provided that in the event an Interest Billing is not effective for the corresponding Payment Due Date, the amount of the interest due on such Payment Due Date shall be equal to the amount of accrued interest which would be due at the Initial Interest Rate and the difference, if any, between the amount so paid and the amount actually due under an effective Interest Billing covering such period shall, at Lender's option, be reflected as an adjustment on the next succeeding Interest Billing or shall be payable to Lender upon demand; and
- c. **Principal** - Commencing on the Eleventh Payment Due Date, which is thirteenth month after funding Borrower shall pay principal in «Term_Wd» («Term_No») successive monthly installments due on each Payment Due Date. The amount of each installment payment of principal shall correspond to the amount of the principal component of the amount of monthly payment which is determined by Lender to be sufficient to amortize the initial principal balance over a period of «Term_Wd» («Term_No») months at an interest rate equal to the Initial Interest Rate: provided that, notwithstanding the amortization period or stated amount of monthly installment payments required above, the final installment shall be due on the «Fnl_Term_Wd» («Fnl_Term_No») month anniversary of the First Payment Due Date (the "Maturity Date") in an amount sufficient to repay the entire outstanding principal balance of this Note in full, together with any accrued interest thereon.

Late Charges: In the event any payment of principal or interest is not made within eight (8) days after it's due date under this Note, Borrower shall pay upon demand a late charge equal to the lesser of ten percent (10%) of the amount of each such delinquent payment or the maximum amount of late charge permitted by applicable law.

Lapsed Insurance Fee: In the event that Borrower permits the insurance coverages required pursuant to the Security Agreement (as hereafter defined) to lapse, and without being in derogation of any of the other rights and remedies of Lender as the "Secured Party" under the Security Agreement, Borrower shall pay on demand a fee (herein, the "Lapsed Insurance Fee") in the amount of ten percent (10%) of Borrower's total monthly installment payment pursuant to this Note for each month during which Borrower fails to reinstate in full force and effect acceptable insurance as required by the Security Agreement. The Lapsed Insurance Fee shall be payable on the first Payment Due Date following the last date for which Lender has proof that Borrower had in force the insurance coverages required by the Security Agreement, and Borrower shall pay a further Lapsed Insurance Fee on each Payment Due Date thereafter until acceptable insurance has been reinstated. The foregoing notwithstanding, in the event Borrower provides to Lender proof that appropriate insurance coverages have been reinstated within thirty (30) days following the date termination of such insurance coverages occurred, then Lender shall waive the Lapsed Insurance Fee for the period such insurance was not in effect or, if Borrower has paid such a fee, shall credit the amount of such fee toward Borrower's next monthly installment under this Note.

Method and Application of Payments: All payments made under this Note shall at Lender's option be applied first to Late Charges, then to accrued interest and any prepayment fees or costs of collection and lastly to principal. All amounts owed under this Note shall be payable in lawful money of the United States of America which, as of the date of payment, shall be legal tender for payment of public and private debts and shall be payable without relief or benefit of any valuation, stay, appraisalment, extension or redemption laws or rights of offset now or hereafter existing. Time is of the essence as to all payments under this Note. In the event any payment is tendered by check or other draft, payment shall be deemed made when such check or draft is actually received by Lender or its authorized collection agent if such check or draft is drawn on a bank in the United States and is thereafter honored upon initial presentment through the banking system.

Prepayments: Borrower may prepay this Note in part or in full prior to the Maturity Date. When paying in full a payoff balance must be obtained from Lender which will include the entire outstanding principal balance due together with all accrued late charges, interest, and other sums owing under this Note.

Security: This Note is secured by a security interest granted by Borrower to Lender in certain present and future assets of Borrower and proceeds thereof pursuant to a written security agreement of even date herewith (the "Security Agreement"), which together with all other agreements, instruments and documents delivered in connection with the loan evidenced by this Note are hereinafter collectively referred to as the "Loan Documents". This Note shall also be secured and a security interest is hereby granted to Lender in all deposits held and/or funds otherwise payable by Lender to Borrower from time to time.

Remedies Upon Default: In the event of any default in timely payment or performance of any obligation of Borrower under this Note, the Security Agreement, any other Loan Documents, or any other instrument, document, agreement or undertaking by Borrower in favor of Lender, whether now existing or hereafter arising or acquired by Lender ("Other Agreements") or upon the occurrence of any Event of Default as defined under the Security Agreement, Lender may accelerate and declare this Note immediately due and payable in full, together with all interest and other amounts payable hereunder, including (without limitation) a prepayment fee, if any, calculated as provided above. In addition, upon occurrence of any such default, Lender shall have all other rights and remedies existing in Lender's favor at law or in equity or provided for in the Security Agreement or any other Loan Documents or in any of such Other Agreements and all such rights and remedies shall be cumulative and concurrent and may be pursued singularly, successively or together, at Lender's sole discretion, and no delay or failure of Lender to exercise any right or remedy shall be deemed a waiver or release thereof, it being agreed that any waiver or release must be in writing executed by Lender to be effective and then only to the extent specifically recited therein. A waiver or release as to any event shall not constitute a waiver or release of any other or subsequent right or remedy as to any reoccurrence of the same or any other event.

Lender can also use any of the remedies available to it under the Uniform Commercial Code or any other law. If Lender refers this Note to an attorney for enforcement or collection, Borrower agrees to pay our reasonable attorney's fees of at least 20% of the remaining principal balance and actual costs. If Lender has to take possession of the equipment, Borrower agrees to pay the cost of repossession, storing, shipping, repairing and selling the equipment. If Lender sells the equipment, and Lender is able to sell the equipment for a price that exceeds the sum of our cost of repossession and sale of the equipment, then Lender shall give Borrower a credit for the amount of such excess. Borrower agrees that Lender does not have to notify Borrower that Lender is selling the equipment. In addition, upon the occurrence of a default hereunder or under any of the Other Agreements, until all such defaults have been cured or waived, at Lender's option, interest on the outstanding balance of this Note shall accrue at the lesser of one and one-half percent (1.50%) per month or the maximum rate permitted by applicable law.

Interest Limitation: Notwithstanding any provisions of this Note or the Loan Documents to the contrary, the maximum interest and fees and charges in the nature of interest or finance charges shall not exceed those permitted by applicable law (the "Legal Limits") and any provision which would, on its face, require such payments in excess of the Legal Limits is hereby amended to require payments of only such amounts permitted by the Legal Limits. In the event of any payment in excess of the Legal Limits, such excess payment shall be automatically credited to principal as a permitted partial prepayment without any prepayment fee being due with respect thereto.

BORROWER WAIVERS: BORROWER HEREBY WAIVES (TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW) PRESENTMENT AND DEMAND FOR PAYMENT, DISHONOR, NOTICE OF DISHONOR, PROTEST AND NOTICE OF PROTEST OF THIS NOTE, AS WELL AS ANY RIGHT TO TRIAL BY JURY, REMOVAL OR CHANGE IN VENUE IN ANY ACTION TO PROSECUTE, ENFORCE OR DEFEND ANY CLAIM RELATED TO THIS NOTE OR ANY OF THE LOAN DOCUMENTS. IN ADDITION, BORROWER WAIVES ANY AND ALL DEFENSES TO REQUIREMENT OF PAYMENT UNDER THE NOTE OR ANY OF THE LOAN DOCUMENTS IN THE EVENT OF ANY SALE, ASSIGNMENT, ENDORSEMENT OR OTHER TRANSFER OF THIS NOTE BY LENDER TO ANY SUCCESSOR LENDER TO THE EXTENT SUCH DEFENSES WOULD NOT BE AVAILABLE AGAINST SUCH SUCCESSOR LENDER ASSUMING THIS NOTE IS A NEGOTIABLE INSTRUMENT AND IS PROPERLY NEGOTIATED TO THE SUCCESSOR LENDER AS A HOLDER IN DUE COURSE UNDER THE APPLICABLE UNIFORM COMMERCIAL CODE.

MISCELLANEOUS PROVISIONS: THIS NOTE SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS (AS OPPOSED TO CONFLICTS OF LAWS PROVISIONS) OF THE STATE OF WISCONSIN WHICH IS THE PRINCIPAL PLACE OF BUSINESS OF LENDER AND THE PLACE WHERE THIS NOTE HAS BEEN DELIVERED AND THE LOAN EVIDENCED BY THIS NOTE IS MADE, EXCEPT THAT (NOTWITHSTANDING ANY RULES OF CONSTRUCTION TO THE CONTRARY) THIS NOTE AND THE LOAN DOCUMENTS SHALL BE LIBERALLY CONSTRUED IN FAVOR OF LENDER. In the event there are blank parentheticals in this form or in any of the other loan documents preceding alternative inconsistent terms, descriptions or phrases, completion of one of the parentheticals with a check or "X" or other designation shall indicate the applicable term, description or phrase and those which are not so designated shall be of no effect. This Note shall be interpreted so as to be effective and binding as written under applicable law; however, if any provision is prohibited by or otherwise invalid or unenforceable under such law, the provision shall be ineffective only to that extent and shall be deemed automatically amended with the least changes necessary so as to be valid and enforceable and the same shall not affect the validity of any other provisions.

Borrower hereby irrevocably submits to the personal jurisdiction of the Circuit Court of Fond du Lac County, Wisconsin or the United States District Court for the Eastern District, Wisconsin with respect to any action or proceeding relating to enforcement of this Note, the Security Agreement or any other Loan Documents (an "Enforcement Action"). Borrower agrees a final judgment in any such Enforcement Action shall be conclusive and may be enforced in any other jurisdiction by suit on such judgment or as otherwise provided by law.

Borrower shall not institute any legal action or proceeding against Lender or any of Lender's directors, officers, employees, attorneys, agents or property concerning any prior, concurrent or subsequent dealings or events relating to this Note or the loan evidenced hereby except in the Circuit Court of Fond du Lac County, Wisconsin or the United States District Court for the Eastern District, Wisconsin. Borrower shall not assert as a defense in any Enforcement Action any matter which would constitute a basis, in whole or in part, for a counterclaim and any such counterclaim shall not be asserted in such an Enforcement Action (but shall be prosecuted, if at all, in a separate action which shall not be consolidated with the Enforcement Action without Lender's consent) unless failure to do so would constitute an irrevocable waiver thereof under applicable rules of procedure. Nothing herein shall affect or impair Lender's right to serve legal process in any manner permitted by law or to prosecute any action against Borrower or its property in any other jurisdiction or venue.

If more than one party executes this Note, the term "Borrower" as used in this Note shall mean all parties and each of them, all of whom shall be jointly and severally obligated hereunder.

This Note shall be binding on Borrower and Borrower's heirs, personal representatives, successors and assigns and shall inure to the benefit of Lender and its successors and assigns. The Borrower shall not be entitled to assign or delegate any rights or obligations under this Note without the prior written consent of the Lender. THE BORROWER HEREBY CONSENTS TO THE LENDER'S SALE, ASSIGNMENT, TRANSFER OR OTHER DISPOSITION AT ANY TIME OR TIMES HEREFTER, OF THIS NOTE, OF ANY RIGHT OR INTEREST HEREIN CONTAINED. UPON SUCH ASSIGNMENT, THE ASSIGNEE SHALL HAVE ALL OF THE RIGHTS OF THE LENDER TO ENFORCE ANY TERM OF THIS NOTE. THE BORROWER AGREES NOT TO ASSERT AS AGAINST ANY SUCH ASSIGNEE ANY CLAIMS, OFFSETS, DEDUCTIONS OR DEFENSES IT MAY HAVE AGAINST THE LENDER FOR BREACH OF THIS NOTE OR OTHERWISE.

If this Note or any of the Loan Documents are not dated or are otherwise incomplete when executed and delivered to Lender, any officer, employee or agent of Lender is hereby authorized to complete the same (including, without limitation, dating the Note as of the date the loan is made) and Borrower shall be bound by the provisions as so completed.

Any prior, contemporaneous or subsequent oral statements, representations or course of conduct inconsistent with the provisions of this Note (including, without limitation, any representation regarding extension, modification, renewal or refinancing of any indebtedness hereunder or extension of additional credit or loans) shall not be binding on Lender under any circumstances, regardless of any reliance thereon by Borrower (which shall not be deemed reasonable) unless evidenced in writing signed by an officer of Lender. This Note and the Loan Documents set forth the complete understandings of the parties relating to the loan evidenced by this Note and supersede any oral statements or representations by Lender.

Borrower hereby warrants and represents that it is a validly existing legal entity of the type set forth in the first paragraph of this Note, and that Borrower's name as set forth at the beginning of this Note is Borrower's exact legal name as such name appears in Borrower's governing instruments and as on file with the appropriate government agency in Borrower's jurisdiction of organization. Borrower further warrants and represents that it has the requisite power and authority to enter and perform its obligations under this Note and any other Loan Documents and each person executing this Note on behalf of Borrower (as an officer, partner or otherwise) personally warrants and represents that (s)he is duly authorized and empowered to do so and that all requisite consents have been obtained to make this Note legally enforceable against Borrower in accordance with its terms.

Borrower warrants and represents that this Note arises from a bona fide purchase, lease or financing of equipment securing Borrower's obligations pursuant to the Security Agreement.

Borrower: «Entity»

Borrower: «Entity»

By: X

By: X

Name and Title: «Applicant»

Name and Title: «CoBorrower_Name_1»

PERSONAL GUARANTY

I guarantee that the Borrower will make all payments and pay all the other charges required under this Note when they are due and will perform all other obligations under the Note fully and promptly. I also agree that you may make other arrangements with the Borrower and I will still be responsible for those payments and other obligations. You do not have to notify me if the Borrower fails to meet all of its obligations under the Note. If Borrower fails to meet all of its obligations, I will immediately pay in accordance with the default provisions of the Note all sums due under the original terms of the Note and will perform all other obligations of Borrower under the Note. I will reimburse you for all the expenses you incur in enforcing any of your rights against the Borrower or me, including attorney fees. If this is a corporate guaranty, it is authorized by the Board of Directors of the guaranteeing corporation. If this is a partnership guaranty, it is authorized under the partnership agreement. **THIS GUARANTY SHALL BE GOVERNED BY THE LAWS OF THE STATE OF WISCONSIN. I AGREE AND CONSENT THAT THE CIRCUIT COURT OF FOND DU LAC COUNTY, WISCONSIN OR THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT, WISCONSIN SHALL HAVE JURISDICTION AND SHALL BE PROPER LOCATION FOR THE DETERMINATION OF DISPUTES ARISING UNDER THIS NOTE.** I agree and consent that you may serve me by registered or certified mail, which will be sufficient to obtain jurisdiction. **I waive trial by jury in any action between us.** Guarantor shall have no right of subrogation, reimbursement or indemnity whatsoever and no right of recourse to or with respect to any assets or property of the Debtor, unless and until all of said obligations have been paid or performed in full. Jointly and severally signed:

By: X

«Applicant»

By: X

«CoBorrower_Name_1»

By: X

«CoBorrower_Name_2»

By: X

«CoBorrower_Name_3»

**ALLIANCE LAUNDRY SYSTEMS LLC
SECURITY AGREEMENT**

For value received and subject to the terms of this Security Agreement ("Agreement"), the undersigned ("Borrower") hereby mortgages to Alliance Laundry Systems LLC, its successors and assigns, (hereinafter "Secured Party") and hereby grants to Secured Party a security interest in, the following property, whether now owned or hereafter acquired and wherever located, and all accessories, parts and other property now or hereafter affixed thereto or used in connection therewith, whether now owned or hereafter acquired; all substitutions for and replacements of any of such property, whether now owned or hereafter acquired; all additions, repairs and accessions to any of such property, whether now owned or hereafter acquired (collectively and hereinafter referred to as the "Goods"):

SEE ATTACHED SCHEDULE(S)

and all proceeds of any of the foregoing to secure the payment of all obligations of Borrower under any promissory note or installment note (each hereinafter called "Note") evidencing any loan or advance made by Secured Party to Borrower, all obligations of Borrower hereunder, and all other obligations of Borrower to Secured Party, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, or now or hereafter existing or due or to become due. All notes and other obligations secured hereby are herein collectively called "Liabilities."

Until Default (as defined herein), Borrower may have possession of the Goods and use the same in any lawful manner not inconsistent with this Agreement or with any policy of insurance on any of the Goods.

Borrower hereby warrants and agrees that (1) it has, or forthwith will acquire, full title to the Goods, and will at all times keep the Goods free of all liens and claims whatsoever, other than the security interest hereunder; (2) no financing statement (other than any which may have been filed on behalf of Secured Party) covering any of the Goods is on file in any public office; (3) it will from time to time, execute such financing statements and other documents and pay the cost of filing or recording the same and do such other acts and things at its expense, all as Secured Party may request in its sole discretion, to establish and maintain a valid perfected security interest in the Goods, free of all other liens and claims whatsoever, to secure the payment of the Liabilities, and any carbon, photographic or other reproduction of this Agreement or of any such financing statement shall be sufficient for filing as a financing statement; (4) it will not sell, transfer, lease or otherwise dispose of any of the Goods or any interest therein except with the prior written consent of Secured Party; (5) it will at all times keep the Goods in first class order and repair, excepting any loss, damage or destruction whether or not covered by proceeds of insurance; (6) it will at all times assure the Goods are insured against loss, damage, theft and other risks, in such amounts, with such companies and under policies in such form, all as shall be reasonably satisfactory to Secured Party, which policies shall provide that loss thereunder shall be payable to Secured Party as its interest may appear and Secured Party may apply any proceeds of insurance which may be received by it toward payment of the Liabilities, whether or not due, in such order of application as Secured Party may determine and such policies or certificates thereof shall, if Secured Party so requests, be deposited with Secured Party; (7) Secured Party may examine and inspect the Goods or any thereof, wherever located, at any reasonable time or times; (8) Secured Party may from time to time, at its option, perform any agreement of Borrower hereunder which Borrower shall fail to perform and take any other action which Secured Party deems necessary for the maintenance or preservation of any of the Goods or its interest therein, and Borrower agrees to forthwith reimburse Secured Party for all expenses of Secured Party in connection with the foregoing, together with interest thereon at a rate equal to the lesser of (i) 10% per annum or (ii) the maximum rate permitted by applicable law, from the date incurred until reimbursed by Borrower; (9) none of the Goods are or will be fixtures or so related to particular real estate that an interest in them arises under law; and (10) it will not (i) if Borrower is a corporation, limited liability company, partnership, or other form of legal entity, change either its correct legal name, the form of its organization, or the state under the laws of which Borrower has been organized or created, or (ii) change the location of the Goods, in each instance without providing at least thirty (30) days prior written notice to Secured Party. For purposes of filing financing statements, continuation statements, amendments to financing statements and other documents as may be necessary in accordance with clause (3) above to establish and maintain a valid perfected security interest in the Goods, Borrower hereby irrevocably appoints Secured Party its attorney-in-fact, with full power of substitution, in the name of Borrower or Secured Party, to execute and file from time to time any such financing statements, continuation statements and amendments thereto, which appointment shall be deemed to be a power coupled with an interest.

The occurrence of any of the following events shall constitute a Default (as such term is used herein): (a) non-payment, when due, of any amount payable on any of the Liabilities or failure to perform any agreement of Borrower contained herein; (b) if any statement, representation or warranty of Borrower herein or in any other writing at any time furnished by Borrower to Secured Party is untrue in any material respect as of the date made; (c) if any Obligor (which term, as used herein, shall mean Borrower and each other party primarily or secondarily liable on any of the Liabilities) becomes insolvent or unable to pay debts as they mature or makes an

assignment for the benefit of creditors, or any proceeding is instituted by or against any Obligor alleging that such Obligor is insolvent or unable to pay debts as they mature; (d) entry of any judgment against any Obligor; (e) dissolution, merger or consolidation, or transfer of a substantial part of the property of any Obligor which is a corporation or a partnership; (f) default by Borrower in any payment of principal or interest on any obligation for borrowed money or in any payment on any lease obligations, beyond any period of grace provided with respect thereto or if Borrower shall default in the performance of any other agreement, term or condition contained in any agreement under which such obligation is created, if the effect of such default is to cause or permit the holder or holders of such obligations to cause such obligations to become due prior to stated maturity; or (g) if Borrower is a corporation, if the current owners of Borrower's voting stock shall at any time fail to own and control a majority of Borrower's outstanding issued voting stock. The foregoing notwithstanding, upon the occurrence of a Default hereunder as the result of Borrower's failure to maintain the insurance coverages required pursuant to clause (6) of the immediately preceding paragraph, but without waiving or otherwise limiting Secured Party's right to declare a Default hereunder and to exercise all of its other rights and remedies pursuant to this Agreement resulting from such failure, at Secured Party's option, Secured Party may elect to charge Borrower the Lapsed Insurance Fee as described in the Note, which fee Borrower hereby agrees to pay in partial compensation for the increased risk to Secured Party that will result from the failure of Borrower to maintain appropriate insurance as required hereunder.

Whenever a Default shall be existing, all Notes and all other Liabilities may, notwithstanding any provisions thereof, at the option of Secured Party and without demand or notice of any kind, be declared, and thereupon immediately shall become, due and payable, and Secured Party may exercise from time to time any rights and remedies available to it under applicable law. Borrower agrees, in case of Default, to assemble, at its expense, all the Goods at a convenient place acceptable to Secured Party and to pay all costs of Secured Party of collection of all Notes and all other Liabilities, and enforcement of rights hereunder, including reasonable attorney's fees and legal expenses, and expenses of any repairs to any realty or other property to which any of the Goods may be affixed or be a part. Without limiting the foregoing, upon Default Secured Party may, to the fullest extent permitted by applicable law, without notice advertisement, hearing or process of law of any kind, (a) enter upon any premises where any of the Goods may be located and take possession of and remove such Goods, (b) sell any or all of the Goods, free of all rights and claims of Borrower therein and thereto, at any public or private sale, and (c) bid for and purchase any or all of the Goods at any such sale. Borrower hereby expressly waives, to the fullest extent permitted by applicable law, any and all notices, advertisements, hearings or process of law in connection with the exercise by Secured Party of any of its rights and remedies upon Default. If any notification of intended disposition of any of the Goods is required by law, such notification, if mailed, shall be deemed reasonably and properly given if mailed at least five days before such disposition, postage prepaid, addressed to Borrower either at the address shown below or at any other address of Borrower appearing on the records of Secured Party. Any notice to Borrower may, if there is more than one undersigned, be given to all of the undersigned care of any one of the undersigned selected by Secured Party. Any proceeds of any of the Goods may be applied by Secured Party to the payment of expenses in connection with the repossession, storage, sale, preparation for sale and the like, of the Goods, including reasonable attorney's fees and legal expenses, and any balance of such proceeds may be applied by Secured Party toward the payment of such of the liabilities, and in such order or application, as Secured Party may from time to time elect and Borrower shall remain liable for any deficiency.

No delay on the part of Secured Party in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by Secured Party of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy. If more than one party shall execute this Agreement, the terms "undersigned" and "Borrower" shall mean all parties signing this Agreement and each of them, and all such parties shall be jointly and severally obligated hereunder. The neuter pronoun, when used herein, shall include the masculine and feminine and also the plural. If this Agreement is not dated when executed by Borrower, Secured Party is authorized, without notice to Borrower, to date this Agreement. Secured Party may assign its rights under this Agreement to a third party, and the rights and privileges of Secured Party hereunder shall inure to the benefit of its successors and assigns.

WAIVER OF JURY TRIAL: Borrower waives any right to a trial by jury in any action to enforce or defend any matter arising from or related to (i) this Agreement; (ii) any Note; or (iii) any documents or agreements evidencing or relating to this Agreement or any Note.

Borrower will deliver to secured party (a) as soon as available, but no later than 120 days after the end of each year, business tax returns and related schedules; (b) from time to time, such other financial information as secured party or its assignee may reasonably request from Borrower or any guarantor of Borrower's obligations, which information shall be delivered within 30 days of such request.

THIS AGREEMENT HAS BEEN DELIVERED AT THE HOME OFFICE OF THE SECURED PARTY AND SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF WISCONSIN ("GOVERNING LAW STATE"). Borrower hereby irrevocably submits to the jurisdiction of the Circuit Court of Fond du Lac County, Wisconsin or the United States District Court for the Eastern District, Wisconsin, over any action or proceeding to enforce or defend any matter arising from or related to (i) this Agreement; (ii) any Note; or (iii) any document or agreement evidencing or relating to this Agreement, any Note, or any Liabilities. Borrower hereby irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of any such action or proceeding. Borrower agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by law. Borrower agrees not to institute any legal action or proceeding against Secured Party or any director, officer, employee, agent or property of Secured Party, concerning any matter arising out of or relating to this Agreement, any Note, or any document or agreement evidencing or relating to this Agreement or any Note in any court other than those enumerated above. Nothing in this paragraph shall affect or impair Secured Party's right to serve legal process in any manner permitted by law, or Secured Party's right to bring any action or proceeding against Borrower, or the property of Borrower, in the courts of any other jurisdiction. Wherever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Agreement.

IN WITNESS WHEREOF, this Agreement has been duly executed as of

Borrower: «Entity»

By: X

Name & Title: «Applicant»

Borrower: «Entity»

By: X

Name & Title: «CoBorrower_Name_1»

ADDITIONAL PROVISIONS OF AGREEMENT *

* If none, insert "None"

NONE

Alliance Laundry Systems LLC

DELIVERY AND ACCEPTANCE RECEIPT

Borrower: «Entity»

Distributor: «Dist»

This Agreement is made between
«Entity»

the equipment Lessee or Owner (hereinafter called "Borrower") and Alliance Laundry Systems LLC and its assignee(s) (hereinafter called "Lender").

This Receipt is made by the Borrower in reference to the Equipment Lease Agreement or Promissory Note and Security Agreement (hereinafter called "Document(s)").

Borrower hereby certifies that all the equipment described in the Document(s) has been delivered, inspected, installed, is in good working condition, is free of disputes, claims, or encumbrance, and accepted by the undersigned as satisfactory. The decals, labels, etc., if required and supplied, have been affixed to the equipment as listed in said Document(s).

Borrower irrevocably waives any claim or offset against Alliance Laundry Systems LLC and recognizes Lender's right to enforce any agreement(s) and note(s) according to their terms free of any defenses, offsets or counterclaims.

YOU ARE HEREBY AUTHORIZED AND DIRECTED TO DISBURSE THE PROCEEDS IN THE AMOUNT OF \$«Loan no Fee» TO THE DISTRIBUTOR LISTED ABOVE.

BORROWER ALSO ACKNOWLEDGES THAT THE FIRST PAYMENT IS DUE «Days Deferred No» DAYS FROM THE LENDER'S ACCEPTANCE OF THIS DOCUMENT AND ALL OTHER RELATED LOAN DOCUMENTS.

Dated:

Borrower: «Entity»

By: X

Authorized Signature
«Applicant»

SEND TO: COMMERCIAL FINANCE DEPARTMENT, P.O. BOX 990, RIPON, WI 54971

PLEASE FILL IN THE AREAS LABELED A - G:

A.

EVIDENCE OF PROPERTY INSURANCE	DATE:
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B.

Insured: «Entity»	Company:
	Phone #:

C.

D.

E.

Policy #:	Effective date	Expiration date
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PROPERTY INFORMATION

«Prop Address», «Prop City», «Prop State» «Prop Zip»

COVERAGE INFORMATION

F.

Coverage/Perils/Forms	Amount of Insurance	Deductible
Business Personal Property Additional (list below)	«Loan_w_Fee»	

LENDER'S LOSS PAYABLE:

G.

ALLIANCE LAUNDRY SYSTEMS PO BOX 990 RIPON WI 54971-0990 ATTN: FINANCE- «Analyst» FAX: 920-748-1796	BROKER SIGNATURE:
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By signing above, Broker hereby confirms that the information contained on this Evidence of Property form is correct and binding. If, during the period the above-named Insured is indebted to Alliance Laundry Systems LLC, a renewal certificate or notice is sent to Alliance Laundry Systems LLC which is missing any of the above information or contains a typographical error, then this original Evidence of Property Insurance form shall continue in full force and effect, coverage as described on this document shall continue, and this document shall be deemed to supplement or correct, respectively, any missing or incorrect information with respect to such renewal certificate or notice. Any material change (address change, coverage amount, additional insured, effective dates, and the like) affecting Alliance Laundry Systems LLC's coverage, in order to be effective, must first be sent to Alliance Laundry Systems LLC in the form of a cancellation or change notice as required by law, and no such change shall become effective earlier than the thirtieth (30th) day following the giving of the notice.

SCHEDULE B

«Entity»

Page 1 of 2

Equipment Location: «Prop_Address», «Prop_City», «Prop_State» «Prop_Zip»

QUANTITY MODEL SERIAL NUMBER (See Attached)

X

Borrower Signature

SCHEDULE B

«Entity»

Page 2 of 2

Equipment Location: «Prop_Address», «Prop_City», «Prop_State» «Prop_Zip»

QUANTITY MODEL SERIAL NUMBER (See Attached)

X

Borrower Signature

ALLIANCE LAUNDRY SYSTEMS LLC

AGREEMENT TO ASSIGN LEASE (THE "ASSIGNMENT")

Investor's Name: «Entity» ("Investor")

«Prop_Address», «Prop_City», «Prop_State» «Prop_Zip»

Address of Leased Premises (the "Premises")

In consideration of Alliance Laundry Systems LLC ("ALS") extending credit to the Investor to finance certain collateral in accordance with the terms of a certain Promissory Note and Security Agreement (the "Agreement") dated _____ relating to said collateral, which collateral is or will be installed as personal property in the Premises, the Investor hereby represents, warrants, covenants and agrees with ALS as follows:

1. The Investor has a valid and subsisting written lease of the Premises dated _____ (the "Lease").
2. Until all sums owed to ALS under the Agreement are paid in full, the Investor agrees (i) not to cancel, surrender, modify or assign the Lease, or sublet the Premises or any part thereof to any other person or entity, without in each case the prior written consent of ALS, and (ii) to pay all rentals coming due under the Lease and to keep and perform all the terms, conditions, and provisions of the Lease.
3. In the event of any breach or default by the Investor under this Assignment or the Agreement, then ALS shall have the right, hereby expressly granted (without prior demand or notice, and without thereby waiving or prejudicing any other rights, powers or remedies under the Agreement), (a) to enter on the Premises to take possession of the collateral for purposes of protecting or removing the same and/or (b) to appoint another person or entity (the "New Tenant") to take over the Premises and operate the collateral, in which case the Investor agrees to assign the Lease to the New Tenant upon request of ALS, and if the Investor fails to do so, then the New Tenant is hereby authorized to occupy and sublet the Premises for the unexpired term of the Lease (less the last day of said term), provided the New Tenant agrees in writing to pay directly to the Landlord all amounts thereafter to become due under the Lease. ALS shall not in any way be liable on the Lease or liable for the failure of the New Tenant to pay rent. If the collateral is removed by ALS, damage to the Premises directly related to such removal will be promptly repaired in a responsible manner by ALS.
4. This Assignment shall be binding upon all successors and assigns of the parties (and any reference to a party shall include its successors and assigns), and upon any guarantor with respect to the Agreement. This Assignment shall be paramount and enforceable as to any other (whether prior or subsequent) agreements between the Landlord, the Investor, and any other parties in interest. The Investor agrees that this Assignment shall be attached to the Lease, and to all other written agreements affecting the Premises, until all obligations owed to ALS by the Investor under the Agreement are satisfied in full.

Dated this day of _____ .

«Entity»
(Name of Investor)

By: X

LANDLORD'S CONSENT

The undersigned, Landlord under the Lease attached hereto as Exhibit "A", for valuable consideration, hereby acknowledges receipt of a duplicate copy of the foregoing "Agreement to Assign Lease" (the "Assignment") and hereby consents to all terms and conditions of the Assignment, including the provisions of paragraph 3 thereof. This consent is given only upon the following conditions:

- (1) any New Tenant appointed under paragraph 3 to whom the Lease is assigned (or to whom the Premises are sublet) **shall be mutually acceptable to the Landlord and to ALS** which consent shall not be unreasonably withheld by either party; and
- (2) any termination of Investor's rights in the Lease or to the Premises shall not disturb any rights or interests granted to Lender hereunder. In the event of any default under the Lease, Landlord shall provide written notice to Lender concurrent with any notice of default to Investor, and shall further provide written notice to Lender as soon as Landlord reasonably anticipates that it will be able to deliver possession to Lender. Any such notice shall be sent via certified mail and via fax to the following address:

Alliance Laundry Systems LLC
Attn: Portfolio Manager Supervisor
PO Box 990
Ripon, WI 54971-0990
Fax: 920-748-4477

In the event Lender elects to exercise its right to take possession of the Premises, as set forth in Paragraph 3, Lender shall pay rent under the Lease on a pro rata basis, as soon as Landlord is able to tender possession of the Premises and Lender accepts same. Lender shall continue to pay rent until the earlier of (i) the time the Lender presents a mutually acceptable assignee or (ii) the time the Lender completes the removal of the collateral from the premises and repairs any damage directly caused by such removal.

- (3) such New Tenant shall agree in writing to pay to Landlord all amounts thereafter to become due under the Lease; and
- (4) the Investor shall remain fully liable to the Landlord for the payment of all delinquent rentals and the performance of all provisions of the Lease; and
- (5) the Assignment shall be binding upon all successors, assigns and guarantors of the parties, and any reference to a party shall include its successors and assigns. This Assignment shall be paramount and enforceable as to any other (whether prior or subsequent) agreements between the Landlord, the Investor, and any other parties in interest. Landlord agrees that the Assignment and this Landlord's Consent shall be attached to the Lease, and to all other written agreements affecting the Premises, until all obligations owed to ALS by the Investor are satisfied in full.

Dated this day of _____.

(a) Landlord Signature

Please print: Landlord name, title, company

Landlord address

(b)

(c) Telephone _____

**ALLIANCE LAUNDRY SYSTEMS LLC
MORTGAGEE'S WAIVER**

WHEREAS, the Undersigned is the mortgagee (hereinafter "Mortgagee") of the premises known as
«Prop_Address», «Prop_City», «Prop_State» «Prop_Zip»

No.	Street	City	County	State
-----	--------	------	--------	-------

which are now occupied,in whole or in part, by «Entity» (hereinafter "Occupant"); and

WHEREAS, Alliance Laundry Systems LLC with principal offices at Shepard Street, P.O. Box 990, Ripon, WI 54971 (hereinafter "ALS") is the owner of, or holds a first security interest in, the equipment described as listed on Schedule "A" annexed hereto (hereinafter "Equipment") which is located on said premises, or may hereafter be delivered or installed thereon.

WHEREAS, the Equipment is or may become the subject of a Lease or Security Agreement between ALS and Occupant;

NOW, THEREFORE, in consideration of ALS entering into the Lease or Promissory Note and Security Agreement with Occupant, it is agreed as follows:

1. Mortgagee recognizes and acknowledges that any claim or claims that ALS or its assignees have or may hereafter have against such Equipment by virtue of any Lease or Promissory Note and Security Agreement, is superior to any lien or claim of any nature which Mortgagee now has or may hereafter have to such Equipment by statute, agreement or otherwise.

2. In the event of default by Occupant in the payment of any indebtedness to ALS or its assignees, or in the performance of any of the terms and conditions of any such Lease or Promissory Note and Security Agreement, or any extension or renewals thereof, ALS or its assignees may remove said Equipment or any part thereof from the above mentioned premises, in accordance with the terms and conditions of such Lease or Promissory Note and Security Agreement, and Mortgagee covenants and agrees that Mortgagee will make no claim whatsoever to said Equipment. If the Equipment is removed by ALS or its Assignee(s), damage to the premises related to such removal will be promptly repaired in a responsible manner by ALS or its Assignee(s).

3. The Equipment described herein may be affixed to the said real estate but shall remain personal property notwithstanding the manner in which it is affixed.

4. This Agreement shall be binding upon the heirs, personal representatives, successors, and assigns of the Mortgagee.

Signed and sealed this day of

By:X

Mortgagee Signature

Please print: Mortgagee name, title, company

Mortgagee address

Telephone

2.

3.

4. Schedule A

All equipment, contracts, lease rights, and business assets of Borrower, whether now owned or hereafter acquired, which equipment is financed by Secured Party, including without limitation all washers and dryers, whether coin-or card-operated or cashless; and all other items of equipment; including without limitation, bulkheads, boilers, venting systems, soap dispensers, coin and bill changers, carts, seating units, folding tables, vending machines, game machines, televisions, scales, conveyor systems, storage racks, card systems, computers and software incorporated into or used in connection with any of the foregoing items, spare parts and attachments, and all leasehold improvements to the facilities (all of the foregoing being referred to herein collectively as the Equipment), and all proceeds and accounts of any of the foregoing to secure the payment of all obligations of Borrower under any promissory note or installment note evidencing any loan or advance made by Secured Party to Borrower, all obligations of Borrower hereunder, and all other obligations of Borrower to Secured Party, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, or now or hereafter existing or due or to become due (referred herein collectively to as Liabilities). This is a Purchase Money Security Interest.

«Entity»

Location: «Prop_Address», «Prop_City», «Prop_State» «Prop_Zip»

By X :

ALLIANCE LAUNDRY SYSTEMS LLC
CORPORATE RESOLUTION

I, _____ «Applicant»; _____, do hereby certify that I am the duly elected Officer of _____ «Entity» and that the following is a true and correct copy of resolutions duly adopted by the Board of Directors of said Corporation at a meeting of said Board of Directors convened and held or pursuant to an action by written consent in accordance with the by-laws of said Corporation on the _____ day of _____, 20____, and that said resolutions are now in full force and effect:

“RESOLVED: That the President, Vice President, Secretary or Treasurer of this Corporation or any one of the foregoing are each hereby authorized and directed to execute and deliver on behalf of this Corporation to Alliance Laundry Systems LLC the annexed Promissory Note, Security Agreement and other related loan documents together with such changes thereto as such officer deems appropriate.”

IN WITNESS WHEREOF, I have affixed my name as Officer of said Corporation this day of _____

By: X

(Officer)

ALLIANCE LAUNDRY SYSTEMS LLC
LIMITED LIABILITY COMPANY RESOLUTION

I, _____ «Applicant»; _____, do hereby certify that I am a duly elected Member of

«Entity» _____ and that the following is a true and correct copy of resolutions duly adopted by the Members of said Limited Liability Company at a meeting of said Members convened and held or pursuant to an action by written consent in accordance with the by-laws of said Limited Liability Company on the _____ day of _____, 20____, and that said resolutions are now in full force and effect:

“RESOLVED: That any Member of this Limited Liability Company or any one of the foregoing are each hereby authorized and directed to execute and deliver on behalf of this Limited Liability Company to Alliance Laundry Systems LLC the annexed Promissory Note, Security Agreement and other related loan documents together with such changes thereto as such member deems appropriate.”

IN WITNESS WHEREOF, I have affixed my name as Member of said Limited Liability Company and have caused the corporate seal of said Limited Liability Company to be hereunto affixed this day of

X

(Member)

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	June 23, 2023 [pending]
Illinois	April 21, 2023 [pending]
Indiana	April 27, 2023 [pending]
Maryland	June 8, 2023 [pending]
Michigan	April 21, 2023 [pending]
Minnesota	July 3, 2023 [pending]
New York	June 12, 2023 [pending]
North Dakota	May 30, 2023 [pending]
Rhode Island	May 11, 2023 [pending]
South Dakota	June 27, 2023 [pending]
Virginia	April 21, 2023 [pending]
Washington	June 9, 2023 [pending]
Wisconsin	April 21, 2023 [pending]

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 K
RECEIPTS

RECEIPTS

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 Speed Queen Laundry Franchise LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with proposed franchise sale.

Rhode Island requires that Speed Queen Laundry Franchise LLC provide this disclosure document to you at the earlier of the first personal meeting or 10 business days before the signing of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

Michigan, Oregon and Wisconsin require that Speed Queen Laundry Franchise LLC provide this disclosure document to you at least 10 business days before the signing of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Speed Queen Laundry Franchise LLC does not deliver this disclosure document on time or if it contains or false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit D.

The franchisor corporation is located at 221 Shepard Street, Ripon, Wisconsin 54971, (920) 748-2852.

The name, principal address and telephone number of each franchise seller offering the franchise is: See Attachment A.

The issuance date of this Franchise Disclosure Document is: April ~~21, 2023~~ 22, 2024.

See Exhibit E for our registered agents authorized to receive service of process.

I have received a disclosure document dated April ~~21, 2023~~ 22, 2024, that included the following exhibits:

Exhibit A – Financial Statements
Exhibit B – Area Development Agreement
Exhibit C – Franchise Agreement
Exhibit D – State Administrators
Exhibit E – Agents for Service of Process
Exhibit F – Table of Contents of Playbook
Exhibit G – General Release

Exhibit H – List of Franchised Locations, Former Franchisees, and Franchise Agreement Signed / Unit Not Open
Exhibit I – State Addenda
Exhibit J – Promissory Note, Personal Guaranty, and Security Agreement
Exhibit K – Receipts

Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Print Name

(Date, sign and return this Receipt to Us)

RECEIPTS

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Exhibit B – Area Development Agreement	Franchisees, and Franchise Agreement
Exhibit C – Franchise Agreement	Signed / Unit Not Open
Exhibit D – State Administrators	Exhibit I – State Addenda
Exhibit E – Agents for Service of Process	Exhibit J – Promissory Note, Personal Guaranty, and
Exhibit F – Table of Contents of Playbook	Security Agreement
Exhibit G – General Release	Exhibit K – Receipts

Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Print Name

(Date, sign and keep this Receipt for your Records)

Attachment A
List of Franchise Sellers

If the franchise seller is not listed, add it below in the blank spaces.

John Shields	PO Box 990 Shephard Street Ripon, WI 54971	203-240-9438
Alex Tosta	PO Box 990 Shephard Street Ripon, WI 54971	561-428-8796
Michele Ribar-Kuechler	PO Box 990 Shephard Street Ripon, WI 54971	480-779-7175
Dawn Arnold	PO Box 990 Shephard Street Ripon, WI 54971	920-748-4255