

## FRANCHISE DISCLOSURE DOCUMENT

RealClean Franchisor, LLC  
a Florida limited liability company  
107 Center Street, P.O. Box 100  
Maple Park, Illinois 60151  
833-412-3444  
info@realcleanaircraft.com  
www.realcleanaircraft.com



As a franchisee, you will operate a business under the name “RealClean Aircraft Detailing” (“RealClean”) which provides professional aircraft detailing services for both small and large commercial and private aircraft.

The total investment necessary to begin operation of a RealClean franchise within a single Tier 1 territory containing up to 400 registered aircraft and 25 aviation-related businesses is \$235,641 to \$414,419. The total investment necessary to begin operation within a single Tier 2 territory containing up to 300 registered aircraft and 15 aviation-related businesses is \$228,641 to \$414,419. This includes \$95,535 to \$241,113 (for Tier 1) or \$88,535 to \$234,113 (for Tier 2) that must be paid to the franchisor or its 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, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact RealClean Franchisor, LLC at 107 Center Street, P.O. Box 100, Maple Park, Illinois 60151 and 833-412-3444

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

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

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

Issuance date: May 1, 2025

## How to Use This Franchise Disclosure Document

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

<b>QUESTION</b>	<b>WHERE TO FIND INFORMATION</b>
<b>How much can I earn?</b>	Item 19 may give you information about outlet sales, costs, profits 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 F.
<b>How much will I need to invest?</b>	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor’s direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit D includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only RealClean business in my area?</b>	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What’s it like to be a RealClean franchisee?</b>	Item 20 or Exhibit F lists current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

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

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

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

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

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

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

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

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

### Some States Require Registration

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

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

## Special Risks to Consider About *This Franchise*

Certain states require that the following risk(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 Illinois. 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 Illinois 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. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
4. **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.
5. **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.

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

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

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

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

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protection 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 sub-franchisor.
- (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
- (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee or subfranchisor until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be directed to:

State of Michigan  
Consumer Protection Division  
Attention: Franchise  
670 G. Mennen Williams Building  
525 West Ottawa Lansing, Michigan 48909  
Telephone: 517-373-7117

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## **EXHIBITS**

- A. State Administrators and Agents for Service of Process
- B. Franchise Agreement (with Guaranty and Non-Compete Agreement)
- C. Form of General Release
- D. Financial Statements
- E. Operating Manual Table of Contents
- F. Current and Former Franchisees
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- I. Sample Equipment Sales Agreement

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

**General**

In this disclosure document, “we” or “us” or “RealClean” or “Company” or “our” refers to RealClean Franchisor, LLC. “You” or “your” or “yourself” means the person who buys the franchise, whether you are a person, a sole proprietorship or entity. Our agents for service of process are listed in Exhibit A.

If you are a corporation, limited liability company, or other entity, each owner of the franchise entity must sign our Guaranty and Non-Compete Agreement, which means that all of the franchise agreement’s provisions also will apply to your owners.

**Franchisor and Predecessors**

Our name is RealClean Franchisor, LLC. We also use the name “RealClean Aircraft Detailing” and “RealClean.” Our principal business address is 107 Center Street, P.O. Box 100, Maple Park, Illinois 60151. We are a Florida limited liability company formed on July 8, 2024. We have offered franchises since December 2024.

We do not have any predecessors.

**Parents and Affiliates**

We do not have any parents. We have three affiliates.

Our first affiliate, Aircraft Detailing, LLC d/b/a RealClean Aircraft Detailing, is a limited liability company formed in Illinois on February 20, 2019, whose principal business address is 107 Center Street, Maple Park, Illinois 60151. This affiliate has operated a RealClean Aircraft Detailing business since its inception that serves airports in the Chicagoland, Quad Cities, and Moline, Illinois area.

Our second affiliate, Zeitler Enterprises Inc. d/b/a RealClean Products, is a corporation formed in Illinois on February 8, 2013, whose principal business address is 2 S Lincoln Avenue, Geneva, Illinois 60134. Zeitler Enterprises Inc. is a supplier of proprietary aircraft detailing products for our franchisees.

Our third affiliate, CR Luminosity, LLC d/b/a Conric PR (“Conric”), is a limited liability company formed in Illinois on September 6, 2022, whose principal business address is 4N550 Pin Oak Lane, Maple Park, Illinois 60151. Conric will provide services to the Brand Fund (as defined herein) and to franchisees of the RealClean franchise system.

Our affiliates do not offer franchises in any line of business. Other than stated above, our affiliates do not offer products or services to our franchisees.

## Information About Our Business and the Franchises Offered

If you sign a franchise agreement with us, you will develop and operate a business under the trade name “RealClean Aircraft Detailing” where you will market, sell, and provide aircraft cleaning and detailing services for commercial and general aviation aircraft including, but not limited to:

- Trip Ready Aircraft Cleaning & Detail
- Wet Wash
- Dry Wash
- Exterior Wax
- Ceramic Coating
- Exterior Paint Rejuvenation
- Brightwork Metal Polishing
- De-Ice Boot Refurbishment
- Complete Interior Cleaning and Detail
- Dry Cleaning Carpet & Upholstery
- Carpet & Upholstery Extraction
- Leather Cleaning & Conditioning
- Stain Removal
- Wood & Trim Polishing
- Lavatory & Galley Sanitation
- Paint Revitalization
- Window Polishing
- Disinfection

Our affiliate, Aircraft Detailing, LLC, hosts and provides services through our “Aircraft Rx” program. The Aircraft Rx program provides paint revitalization and protective coatings application, leather redyeing, and window polishing to aircraft owners under a service package. These are specialty services that our franchisees may be permitted to provide to their customers. Our affiliate will market and sell these services across the United States and may, but is not required to, subcontract the work to our franchisees that are trained and actively providing these specialty services.

We (that is, RealClean Franchisor, LLC) do not operate businesses of the type being franchised, but our affiliate, Aircraft Detailing, LLC, does. We do not have any other business activities. We have not offered franchises in other lines of business.

The general market for aircraft cleaning and detailing services is developed and very competitive. Sales are not seasonal. You will compete against some local and national independent owners in certain markets that offer detailing and mobile detailing services, some of which may be franchised.

## **The Franchise Rights Offered**

### ***Franchise Agreement***

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

Under a Franchise Agreement, we grant you the right (and you accept the obligation) to operate one Franchise that specializes in providing aircraft cleaning and detailing services and related services we specify (the “Services”) for commercial and general aviation aircraft within the initial geographic area for the Population as described on the Summary Page of the Franchise Agreement (the “Territory”).

You may purchase additional Territories at the time of the purchase of your initial Territory by signing additional Franchise Agreements and paying us the Initial Franchise Fees referenced in Item 5. The additional Franchise Agreements may contain terms that are materially different than your initial Franchise Agreement. The Franchise Agreements signed upon purchasing additional Territories will be our then-current Franchise Agreement, which may be materially different than the Franchise Agreement you sign pursuant to this Franchise Disclosure Document.

### **General Market and Competition**

The general market for Franchises consists of any commercial and general aviation aircraft in need of cleaning and detailing services. The principal customers of a Franchise will be private aircraft owners and operators as well as Fixed Based Operations (FBOs), and Corporate Flight Departments. Franchises compete with other national, regional, and local businesses offering aircraft cleaning and detailing services, at times, in well-developed markets. Some of these competitors may be in close proximity to your Franchise, and may have greater financial resources, larger advertising budgets, and more national (or local) recognition than the RealClean Aircraft Detailing brand.

### **Industry Specific Regulations**

The Franchise will be subject to, and you are solely responsible for complying with, various federal, state, and local laws, and regulations affecting the business, including, among others, federal, state and local laws, rules and regulations governing franchising, licensing, permits, zoning, the EPA, and other federal and state environmental protection statutes, OSHA, and other federal, state and local laws regarding hazardous substances and waste, land use, construction regulations and various health, sanitation, safety and fire standards. Certain jurisdictions may require a specialized license to perform aviation services. You are also subject to employment laws such as the EEOC, Fair Labor Standards Act, Americans with Disabilities Act and various state laws governing such matters as minimum wages, overtime and working conditions. Your advertising of the Franchise is regulated by the Federal Trade Commission. There may be federal, state, and local laws which affect your Franchise in addition to those listed here.

Aviation detailing services may vary widely based on geography, regulations, and other factors. These differences can dramatically affect the cost of aviation detailing services. Be sure to check your local market and examine commonly used products in your market to determine average pricing in your area.

Certain cities, towns, and municipalities may be subject to exclusive or limited detailing services arrangements, which you are responsible to investigate prior to purchasing a franchise from us. Some airports may have requirements that franchisees (and/or their employees) obtain a background check prior to being permitted on site at a particular airport. Because such regulations may change during the Term of your agreement, Territories are not adjusted if such restrictions exist at the time you sign your franchise agreement or arise during the Term. As such, you should investigate whether any cities, towns, and municipalities have limitations and, if they exist, whether you would be able to obtain clearance/approval prior to signing your franchise agreement.

As of the issuance of this Disclosure Document, there are no specific laws or regulations related to your RealClean franchised business. Notwithstanding, you should understand permit and license requirements in your area: You should carefully investigate whether there are any state or local regulations or requirements that may apply in the geographic area in which you intend to conduct business. We do not offer guidance with regard to which permits or licenses may be required in your area; however, as of the issuance of this Disclosure Document, there are no specific licenses required to operate a RealClean business in California. You should consider both their effect on your business and the cost of compliance. You are responsible for obtaining all licenses and permits which may be required for your business.

## **Item 2 BUSINESS EXPERIENCE**

### **Lucas Gary Goucher, Owner & CO-CEO**

Lucas Gary Goucher has been one of our Owners since our inception. He has also been an Owner of our affiliate, Aircraft Detailing, LLC in Maple Park, Illinois, since April 2019. Additionally, he has been an Owner of Illinois Crafted Hospitality in Maple Park, Illinois since December 2016 and an Owner of our affiliate, CR Luminosity, LLC, in Maple Park, Illinois since September 2022.

### **Dennis “Dustin” Zeitler, Owner & CO-CEO**

Dennis “Dustin” Zeitler has been one of our Owners since our inception. He has also been an Owner of our affiliate, Aircraft Detailing, LLC, in Maple Park, Illinois, since April 2019. Mr. Zeitler has also been an Owner of Zeitler Enterprises, Inc. in Geneva, Illinois since February 2013.

## **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**

When you sign your franchise agreement, you must pay us the applicable Initial Franchise Fee based on your selected territory. The Initial Franchise Fee is \$56,500 for a Tier 1 territory, which consists of up to 400 registered aircraft and up to 25 aviation-related businesses, or \$49,500 for a Tier 2 territory, which consists of up to 300 registered aircraft and up to 15 aviation-related businesses. The Initial Franchise Fee is deemed fully earned upon payment and, except as stated below, is nonrefundable upon payment. The Initial Franchise Fee is uniform for all franchisees. You may purchase additional Territories at the time of the purchase of your initial Territory by signing additional Franchise Agreements and paying us the following, discounted Initial Franchise Fees:

<b>FRANCHISE FEE STRUCTURE</b>				
<b># of Territories</b>	<b>Tier 1 Territories</b>		<b>Tier 2 Territories</b>	
	<b>Cumulative Initial Franchise Fees*</b>	<b>Individual Franchise Fee**</b>	<b>Cumulative Initial Franchise Fees*</b>	<b>Individual Franchise Fee**</b>
<b>1</b>	<b>\$56,500</b>	<b>\$56,500</b>	<b>\$49,500</b>	<b>\$49,500</b>
<b>2</b>	<b>\$107,350</b>	<b>\$50,850</b>	<b>\$94,050</b>	<b>\$44,550</b>
<b>3</b>	<b>\$158,200</b>	<b>\$50,850</b>	<b>\$138,600</b>	<b>\$44,550</b>
<b>4</b>	<b>\$209,050</b>	<b>\$50,850</b>	<b>\$183,150</b>	<b>\$44,550</b>

\*If you choose to purchase a Tier 1 territory with more than 400 registered aircraft or more than 25 aviation-related businesses, you will pay us an additional \$25 per registered aircraft over 400 and \$125 per aviation-related businesses over 25. If you choose a Tier 2 territory with more than 300 registered aircraft or more than 15 aviation-related businesses, you will pay us an additional \$25 per registered aircraft over 300 and \$125 per aviation-related businesses over 15. Overages will not exceed \$10,000 per territory.

\*\* Discounted franchise fee is only applicable when territories are purchased at the same time.

If (1) you fail to complete the initial training program to our satisfaction, or (2) we conclude, no more than 10 days after you complete the initial training program, that you do not have the ability to satisfactorily operate your franchise, then we have the right to terminate your franchise agreement. If we do so, we will refund your franchise fee less any out-of-pocket costs we have incurred including but not limited to legal fees, direct & indirect franchise development costs, and commissions, subject to your signing a general release of our liability and returning all property of ours. Otherwise, the Initial Franchise Fee is not refundable.

In the event that you purchase multiple contiguous Territories at the same time, and you are in the process of obtaining funding from a financial institution for the purpose of paying the Total Initial Franchise Fees, then we may, in our discretion, permit you to pay the Total Initial Franchise Fees in installments and upon signing of the Franchise Agreements as follows: (a) payment of the full Initial Franchise Fee for Territory 1 plus a minimum of \$5,000 for each additional Territory due

at the time you sign the Franchise Agreements, and (b) the remainder to be paid for the additional Territories in full upon the earlier of (i) 60 days from the execution of the Franchise Agreements or (ii) the date you receive the funding. The initial payment is non-refundable. If you fail to pay the remaining balance of the Total Initial Franchise Fees, then we have the right to terminate your Franchise Agreements.

**Veterans and First Responders Discount**

We support and participate in providing a discount to veterans. If you are an honorably discharged veteran or a first responder who meets our qualifications for new RealClean franchises, we will discount the franchise fee by 15%. This discount may be used only once for one Territory. A copy of your DD-214 is required to receive this discount.

**Existing Franchisee: Additional Territory Discount**

If you are an existing RealClean franchisee that: (a) has been operating a RealClean for at least 18 months, (b) has been in full compliance with your franchise agreement for at least 18 consecutive months, (c) meets our qualifications for new RealClean franchisees, (d) is purchasing an additional Territory from us (for which you are signing a separate franchise agreement), and (e) the purchase is not facilitated through a third-party broker, then we will discount the then-current franchise fee by 20%. This discount, if applicable, will be limited to one RealClean territory.

**Discount for Employees of Franchisees**

Under certain circumstances, we may offer a discount program to reward qualified employees of our franchisees who: (a) have been recommended in writing by a franchisee; (b) have been employed in good standing by a franchisee for at least 2 years; and (c) meet our qualifications for new RealClean franchisees. Under certain circumstances we may offer a 5% discount for every year of employment over 2 years subject to a maximum discount of 50% as shown below. This discount, if applicable, will be limited to one RealClean territory.

<b>Percentage Discount</b>	<b>Years of Consecutive Employment</b>
<b>10%</b>	<b>2</b>
<b>15%</b>	<b>3</b>
<b>20%</b>	<b>4</b>
<b>25%</b>	<b>5</b>
<b>30%</b>	<b>6</b>
<b>35%</b>	<b>7</b>
<b>40%</b>	<b>8</b>
<b>45%</b>	<b>9</b>
<b>50%</b>	<b>10 or More</b>

## **Combination and Application of Discounts**

The VetFran discount is the only discount that can be combined with any of our other discounts. If you qualify for the VetFran or employee discount, during the first 3 years of the term of the Franchise Agreement if you: (a) fail to maintain at least a 75% interest in the franchisee entity; or (b) cause any transfer under the terms of the Franchise Agreement, then you must immediately pay us the discounted amount of the franchise fee.

In addition to the standard discount programs described above, we reserve the right, from the issuance date of this disclosure document to periodically reduce the franchise fee based on specific circumstances. In addition, in limited circumstances, we may offer to finance up to 50% of your Initial Franchise Fee. Otherwise, the initial fees described above in this Item 5 are uniformly charged to all new franchisees. These initial fees are payable at the time you sign a Franchise Agreement and are not refundable under any circumstances.

## **Custom Marketing & Services Activation**

Prior to opening, you must pay us a Custom Marketing and Services Activation Fee of \$5,000 for the activation of certain items that are required to be used in your business. This Fee is deemed fully earned upon payment and is not refundable under any circumstances.

## **Software Implementation Assistance Fee**

Prior to opening, you must pay us a Software Implementation Assistance Fee of \$2,500 to cover Franchisor staff who will assist you with the implementation of certain software systems required for your business. This fee is in addition to any fees charged by the applicable software service providers. This Fee is deemed fully earned upon payment and is not refundable under any circumstances.

## **One-Time Brand Fund Contribution**

Prior to opening, you must pay us a One-Time Brand Fund Contribution of \$7,500 per territory. This does not prevent you from the ongoing Brand Fund Fees required. This Fee is deemed fully earned upon payment and is not refundable under any circumstances.

## **Opening Equipment Package**

Prior to opening, you must purchase from us, our affiliate, or a third-party approved supplier, a vehicle, a vehicle graphics package, miscellaneous equipment, and an inventory of cleaning supplies for a total of between \$24,035 and \$169,613, as described in Note 6 to Item 7. This is deemed fully earned upon payment and is not refundable under any circumstances.

**Item 6  
OTHER FEES**

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	7.5% of Gross Sales	Monthly, on the 5 <sup>th</sup> day of the following month	Payable to us. Monthly Sales reports must include Gross Sales and other information specified in the Manual. We will debit your account for 150% of your last payment if you fail to submit your sales report on time. This amount will be adjusted upon receipt of the required report. See Note 1 for a chart of Minimum Royalties and Note 2 for the definition of Gross Sales.
Brand Fund Contribution	1.5% of Gross Sales; we reserve the right to increase this to up to 3% of Gross Sales. Additionally, a one-time contribution of \$7,500 per territory is due at time of signing.	Same as Royalty Fee.	Payable to us. See Note 4.
Technology Fee	\$795 per month. Additional fees of \$795 per territory may apply for each additional user if you operate three or more territories. If you have four territories, your monthly Technology Fee may be as high as \$1,590.	Paid to us, same as Royalty Fee.	Payable to us.
Local Marketing (Opening)	\$4,000 per month for the first territory (plus an additional \$1,500 per month per additional territory), per month, beginning the month prior to opening and	As incurred.	Payable to third-party suppliers or to us for payment directly to National Account vendors where required. All advertising must be

Type of Fee	Amount	Due Date	Remarks
	continuing for six months after opening. (See Note 3)		approved by us prior to publications or use.
Local Marketing (Ongoing)	The greater of \$3,000 for the first Territory or 5% of Gross Sales (plus \$1,000 per additional territory) per month.	As incurred.	Payable to third-party suppliers or to us for payment directly to National Account vendors where required. All advertising must be approved by us prior to publications or use. See Note 3.
Local or Regional Advertising Cooperatives	Currently None; but potentially equal to up to 1%	As incurred.	Payable as required by the Advertising Cooperative. See Note 3.
Recruiting Assistance and Additional Services	Actual costs and expenses (anticipated to be between \$0 and \$10,000)	As incurred.	We may provide additional services including recruiting assistance and other services. We shall have no ongoing obligation to offer these services and may discontinue them for any or all franchisees at any time.
Computer, Software Subscriptions	Varies	As incurred.	Payable to third party suppliers. See Note 5
Supplier Approval / Testing Costs	Costs and expenses associated with approving an unapproved product or supplier	When incurred.	If you request that we test or consider for approval an unapproved product or service or evaluate an unapproved supplier you must pay to us any out-of-pocket costs we incur in researching, acquiring, testing and considering for approval the product, service or supplier. We may require that you or

Type of Fee	Amount	Due Date	Remarks
			supplier pay a reasonable fee charge for such testing or evaluation. You will owe these amounts regardless of whether or not we approve the supplier or product.
Interest Charge	1.5% per month from due date, or the maximum allowed by law.	If paid to us, same as Royalty Fee.	If you fail to pay us any amount when due, we may charge you interest on the unpaid amount until the amount is received.
Late fee	\$50 per day or portion thereof for each payment or report not received when due.	If paid to us, same as Royalty Fee.	Payable to us.
Transfer Fee	Greater of 20% of then-current Franchise Fee or \$10,000.  Transfer from an individual to a wholly-owned entity: \$1,500	50% due at the time the request to transfer is made. This amount is non-refundable. The balance is due at the closing of the transfer.	Payable to us. See Note 6.
Renewal fee	Greater of 25% of the Franchise Fee or \$10,000 per Territory	Upon renewal of Franchise Agreement	Subject to approval by us and other requirements
Insurance Reimbursement	Reimbursement of our actual costs, plus 10% plus interest on amount paid	As incurred.	You must reimburse us for the cost plus 10% plus interest for any amounts we pay on your behalf due to your failure to meet the insurance obligations as defined in your

Type of Fee	Amount	Due Date	Remarks
			Franchise Agreement. This remedy is cumulative to all other remedies.
Costs and Attorneys' Fees	Reimbursement of our actual costs.	As incurred.	Only if you are in default under the Franchise Agreement, in which case, we will require you to reimburse us for the expenses we incur (including reasonable attorneys' fees) as a result of your default and to enforce and terminate the agreement.
Indemnity	Reimbursement of our actual costs.	As incurred.	You must indemnify us, and reimburse us for our costs (including our attorneys' fees and costs) and advance these expenses to us upon demand if we are sued or held liable in any action having anything to do with your Franchise.
Audit Costs	Reimbursement of our actual costs, provided that the costs of the audit are only due if an irregularity of greater than 5% is discovered in any reported amount, or if reports are not submitted as required.	As incurred.	We have the right under the Agreement to examine certain records including without limitation your financials, bank statements and tax returns. If an examination of these records reveals a discrepancy of more than 5% the full amount of the audit's actual costs will be charged in addition to any unpaid amounts

Type of Fee	Amount	Due Date	Remarks
			discovered and other remedies as permitted under the Agreement.
Failure to Comply with Operational Standards	Not to exceed a \$100 per diem charge per violation.	Upon demand.	Payable to us, only due if you fail to comply with certain operational standards and specifications as specified in the Manuals and after a cure period of 10 days. This is in addition to all other rights available to us.
Outside of Territory Fee	The greater of (i) \$500 or (ii) 75% of the amount paid by such customer to Franchisee.	Upon demand.	If Franchisee provides services at any location outside of the Territory without Franchisor's prior written permission, Franchisor may impose a fee equal to the greater of (i) \$500 or (ii) 75% of the amount paid by such customer to Franchisee.
Inspection Fee	Reimbursement of our actual costs.	Upon demand.	We require you to reimburse our actual costs for any inspection including re-inspections that we may undertake to ensure that deficiencies are corrected. Additionally, if you fail to correct the deficiencies within a reasonable time, we may (but need not) correct the deficiencies and will charge you for our actual expenses in taking such actions.

Type of Fee	Amount	Due Date	Remarks
Seminars, Conventions or Programs	Our then-current fee (which is currently \$1000) per person, plus actual cost of materials (if any), travel, and lodging. This fee shall not increase more than 20% per year during the Term of your Franchise Agreement.	Annually or as incurred.	We reserve the right to conduct required periodic meetings of all franchisees. Currently, attendance at the annual convention is required. We may collect the annual convention fee on a monthly basis or in any other manner or frequency we determine. You must also pay your own costs and expenses, as well as the costs and expenses your Designated Business Manager and employees incur in attending these meetings.
Refresher Training/ On-site training	\$350, plus expenses.	Upon demand.	We require that your Operating Principal, Manager and other employees attend and successfully complete refresher training programs to be conducted at such location as we designate. All expenses incurred by your representatives in attending refresher training are your responsibility; for additional on-site training, you must pay us our then-current per diem charges. This fee shall not increase more than 20% per year during the Term of

Type of Fee	Amount	Due Date	Remarks
			your Franchise Agreement.
Additional Initial Training	\$1,000 per trainee; \$250 per trainer per day plus travel, per diem and lodging expenses as required.	Upon demand.	<p>We provide initial training for up to three individuals (typically the Operating Principal, Manager and Lead Detailer) at no charge. We require any new Operating Principal or replacement Manager or Lead Detailer to complete our training program, and we may charge a fee for such training. If no courses are schedule or space in such courses is unavailable, we may also charge a fee for training for any individuals that we train beyond the two individuals that we train at no charge. Additional trainees or replacement trainees may attend any future training courses based on available space and scheduling at no additional cost.</p> <p>If no courses are scheduled, or no space is available, the current Training Fee may be assessed. This fee is currently \$1,000 per trainee and there is a minimum of 3 participants required. For training at your</p>

Type of Fee	Amount	Due Date	Remarks
			location, our then-current daily fees per trainer will be charged. Currently our fee is \$250 per trainer per day plus travel, per diem and lodging expenses as required. This fee shall not increase more than 20% per year during the Term of your Franchise Agreement.
Additional Opening Assistance	Reimbursement of our actual costs and expenses.	Time of assistance.	If you request assistance or training, in addition to the pre-opening and opening training that we provide, we charge you for this additional assistance.
Additional Advertising and Promotional Materials	\$250-\$500	As billed.	If we provide you with advertising and promotional materials to use in your Franchise, we charge a reasonable amount for these materials.
Customer Review Non- Compliance Fee	\$90-\$250	As incurred.	Payable to us, only if you do not maintain brand standards and high customer service reviews scores. See Note 9.
Termination Fee	Greater of: Average of monthly Royalties and Brand Fund Contributions for the past 12 months multiplied by 24 months (or remaining months in term), discounted to present value.	Upon demand.	Payable to us, only if the Franchise Agreement is terminated by us due to your default (including failure to open), or if you terminate the Franchise Agreement in violation of its terms.

Type of Fee	Amount	Due Date	Remarks
Third-Party Vendors	Reimbursement of our actual costs, plus reasonable administrative charge.	Varies	We have the right to require franchisees to use third-party vendors and suppliers that we designate. Examples can include computer support vendors, email services, mystery shopping, and customer feedback systems. The vendors and suppliers may bill franchisees directly, or we have the right to collect payment for these vendors together a reasonable markup or charge for administering the payment program.
Non-compliance fee	\$500	On demand	We may charge you \$500 if your business is not in compliance with our system specifications or the franchise agreement and you fail to correct the non-compliance after 30 days' notice. Thereafter, we may charge you \$250 per week until you correct such non-compliance.
Reimbursement	Reimbursement of our actual costs, plus 10%	Within 15 days of invoice	If we pay any amount that you owe or are required to pay to a third party, you must reimburse us.
Insufficient funds fee	\$30 (or, if such amount exceeds the maximum	On demand	We may charge an insufficient funds fee if a payment made by

Type of Fee	Amount	Due Date	Remarks
	allowed by law, then the maximum allowed by law)		you is returned because of insufficient funds in your account.
Breach of territory fee	The greater of (i) \$500 or (ii) 75% of the amount paid by the customer outside of your Territory.	On demand	If you serve a customer outside of your Territory without our prior written permission, we may impose this fee.
Special support fee	Our then-current fee, plus our expenses. Currently, \$500 per day. This fee shall not increase more than 20% per year during the Term of your Franchise Agreement.	On demand	If we provide in-person support to you in response to your request, we may charge this fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support).
Customer complaint resolution	Reimbursement of our actual costs.		We may take any action we deem appropriate to resolve a customer complaint about your business. If we respond to a customer complaint, we may require you to reimburse us for our expenses.
Special evaluation fee	Currently \$600, plus reimbursement of our actual costs. This fee shall not increase more than 20% per year during the Term of your Franchise Agreement.	On demand	Payable only if we conduct an in-person evaluation of your business because of a governmental report, customer complaint or other customer feedback, or your default or non-

Type of Fee	Amount	Due Date	Remarks
			compliance with any system specification.
Prevailing party's legal costs	Reimbursement of our actual costs.	On demand	In any legal proceeding (including arbitration), if you lose and we prevail, you must pay our attorney fees, court costs and other expenses.
National Accounts fee	Up to 5% of National Account Revenue (currently, 0%)	Same as Royalty Fee	National Account Revenue is Gross Revenue derived from a national account customer. We will provide you with 30 days advance written notice of any adjustment to the National Accounts Support Fee.

All fees, including the software subscription charges, are payable directly to us unless explicitly designated otherwise in writing by us. All fees are non-refundable. All fees are uniform for all franchisees.

As of the date of this agreement, there are no marketing cooperatives, purchasing cooperatives, or other cooperatives that impose fees on you.

**Notes**

1. Minimum Royalties per Territory per month:

Months After Opening	Territory Minimum Royalty	Monthly Sales Equivalent
7-12	\$1,760	\$23,467
13-24	\$2,840	\$37,867
25-36	\$3,135	\$41,800
37+	\$3,450	\$46,000

These Minimum Royalties apply to both Tier 1 and Tier 2 territories.

When you open your Franchised Business, you immediately begin paying us the monthly Royalty Fees described above (“Opening for Business”).

2. “Gross Sales” is defined in your franchise agreement as the total dollar amount of all sales generated through your business for a given period from the offer and sale of aircraft cleaning and detailing products and services. Gross Sales does not include (i) bona fide refunds to customers, (ii) sales taxes collected, (iii) sales of used equipment not in the ordinary course of business, or (iv) sales of prepaid cards or similar products (but the redemption of any such card or product will be included in Gross Sales). “Gross Sales” also includes the fair market value of any services or products received by you in barter or in exchange for services and products. There is no rollover credit for months in which the royalty amount exceeds the minimum. Gross sales will be deemed received by you at the time the services or products from which they were derived are delivered or rendered or at the time the relevant sale takes place, whichever occurs first, regardless of whether payment is received.

3. Opening Marketing Obligations begin one month prior to opening and continue for the first six months of operations. During this time, you must spend at least \$4,000 per month for the first territory (plus \$1,500 per additional territory) on local marketing initiatives in accordance with our allocation and using approved advertising and vendors (see Note 3 in the fee chart).

Ongoing Marketing Obligations begin after the initial six-month launch period (which includes your grand opening). These amounts must also be spent in accordance with our allocation on approved advertising and vendors.

These amounts are the minimum you may spend. We do not impose a maximum limit on how much you may spend. No advertising cooperatives have been established. We reserve the right to establish an advertising cooperative. If our own outlets are members of a cooperative, they must contribute to the cooperative on the same basis as franchisees, and they will vote on the same basis as other members. If our outlets have controlling voting power, there is no maximum on fees that could be imposed.

4. Brand Fund ongoing contributions are currently 1.5% of Gross Sales and may be increased in the future to a maximum of 3%. These funds are spent by the Franchisor on programs and expenses for the benefit of the System as defined in section 10 of the Franchise Agreement. Additionally, there will be a one-time fee of \$7,500 per territory for the Brand Fund, payable upon signing your Franchise Agreement. Both contributions are non-refundable and are used to support national and regional brand marketing initiatives.

5. Computer and Software expenses will vary based on the then-current standards for the Technology System. These amounts will be paid primarily to designated vendors.

6. If you sell or otherwise transfer your franchise and engage with a broker or franchise sales organization, or if you request that we assist with the sale or transfer of your franchise and we engage a broker or franchise sales organization, you will be responsible for any commission or fees that the broker or franchise sales organization charges in connection with locating a buyer for your franchise before we will grant an approval of the transfer. In addition, in

the event a proposed transfer is not consummated or closed, for any reason except for our disapproval, you or the proposed transferee shall reimburse us for all of our costs and expenses incurred in connected with the evaluation of the proposed transfer, including, without limitation, attorneys' and accountants' fees, background checks, site evaluation, and training, if applicable, to the extent the portion of the transfer fee paid when the transfer approval request was made does not cover those costs and expenses. If you sign the Franchise Agreement as an individual, then you will be required to pay us a \$1,500 transfer fee upon transferring the agreement to your wholly-owned entity.

7. You must subscribe to and participate in the customer review tracking and reputation management services and providers that we designate. If your customer review or customer satisfaction ratings, as measured across the review platforms that we designate, go below 4 stars out of 5 stars and/or a 80% positive satisfaction rating then you must pay to us a customer review non-compliance fee of \$90 for each and every week of non-compliance. If, a condition of non-compliance occurs for more than twelve-weeks then we may increase this non-compliance fee to a weekly fee of not more than \$250 per week.

8. The fees listed in this Item 6 are uniformly imposed and collected.

9. The fees listed in this Item 6 are non-refundable.

All fees are per Territory unless specified otherwise.

**Item 7  
ESTIMATED INITIAL INVESTMENT**

<b>TIER 1 (Single Territory)</b>					
<b>Type of Expenditure</b>	<b>Amount</b>		<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is to be Made</b>
	<b>Low</b>	<b>High</b>			
Initial Franchise Fee <sup>1</sup>	\$56,500	\$56,500	Check or wire transfer	Upon signing the franchise agreement	Us
Rent and Utilities <sup>2</sup>	\$0	\$5,000	As arranged with provider	As incurred or when billed	Landlord, Utility companies
Grand Opening Advertising <sup>3</sup>	\$16,000	\$16,000	As arranged with provider	As incurred or when billed	Vendors and suppliers
Computer System, Phone & Software Subscription – First Three Months <sup>4</sup>	\$1,500	\$5,000	As arranged with provider	As incurred	Vendors and suppliers

<b>TIER 1</b>					
<b>(Single Territory)</b>					
<b>Type of Expenditure</b>	<b>Amount</b>		<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is to be Made</b>
	<b>Low</b>	<b>High</b>			
Insurance (Annual Premium) <sup>5</sup>	\$32,000	\$50,000	As arranged with provider	As incurred	Insurance company
Equipment, Vehicle, Wrap, and Outfitting <sup>6</sup>	\$24,035	\$169,613	As arranged with provider	As incurred	Us, Vendors, and suppliers
Licenses and Permits <sup>7</sup>	\$50	\$1,000	As arranged with provider	As incurred	Government
Professional Fees (lawyer, accountant, etc.) <sup>8</sup>	\$3,000	\$5,000	As arranged with provider	As incurred	Professional service firms
Travel, lodging and meals for initial training <sup>9</sup>	\$7,000	\$10,000	As arranged with provider	As incurred	Airlines, hotels, and restaurants
GPS Tracking System	\$56	\$56	As arranged with provider	Before Launch	Suppliers
Office Related Expenses <sup>10</sup>	\$500	\$1,250	As arranged with provider	Before Launch	Suppliers
Software Implementation Assistance Fee <sup>11</sup>	\$2,500	\$2,500	Check or wire transfer	Before launch, and within 10 days of Billing	Us
Custom Marketing & Services Activation Fee <sup>12</sup>	\$5,000	\$5,000	Check or wire transfer	Before launch, and within 10 days of Billing	Us
One-Time Brand Fund Contribution <sup>13</sup>	\$7,500	\$7,500	Check or wire transfer	Before launch, and within 10 days of Billing.  See Item 11	Us
Additional funds (for first 3 months) <sup>14</sup>	\$80,000	\$80,000	As arranged with provider	Varies	Employees, suppliers
<b>Total<sup>15</sup></b>	<b>\$235,641</b>	<b>\$414,419</b>			

<b>TIER 2</b>					
<b>(Single Territory)</b>					
<b>Type of Expenditure</b>	<b>Amount</b>		<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is to be Made</b>
	<b>Low</b>	<b>High</b>			
Initial Franchise Fee <sup>1</sup>	\$49,500	\$56,500	Check or wire transfer	Upon signing the franchise agreement	Us
Rent and Utilities <sup>2</sup>	\$0	\$5,000	As arranged with provider	As incurred or when billed	Landlord, Utility companies
Grand Opening Advertising <sup>3</sup>	\$16,000	\$16,000	As arranged with provider	As incurred or when billed	Vendors and suppliers
Computer System, Phone & Software Subscription – First Three Months <sup>4</sup>	\$1,500	\$5,000	As arranged with provider	As incurred	Vendors and suppliers
Insurance (Annual Premium) <sup>5</sup>	\$32,000	\$50,000	As arranged with provider	As incurred	Insurance company
Equipment, Vehicle, Wrap, and Outfitting <sup>6</sup>	\$24,035	\$169,613	As arranged with provider	As incurred	Us, Vendors, and suppliers
Licenses and Permits <sup>7</sup>	\$50	\$1,000	As arranged with provider	As incurred	Government
Professional Fees (lawyer, accountant, etc.) <sup>8</sup>	\$3,000	\$5,000	As arranged with provider	As incurred	Professional service firms
Travel, lodging and meals for initial training <sup>9</sup>	\$7,000	\$10,000	As arranged with provider	As incurred	Airlines, hotels, and restaurants
GPS Tracking System	\$56	\$56	As arranged with provider	Before Launch	Suppliers
Office Related Expenses <sup>10</sup>	\$500	\$1,250	As arranged with provider	Before Launch	Suppliers
Software Implementation Assistance Fee <sup>11</sup>	\$2,500	\$2,500	Check or wire transfer	Before launch, and within 10 days of Billing	Us
Custom Marketing & Services Activation Fee <sup>12</sup>	\$5,000	\$5,000	Check or wire transfer	Before launch, and within 10 days of Billing	Us

<b>TIER 2</b>					
<b>(Single Territory)</b>					
<b>Type of Expenditure</b>	<b>Amount</b>		<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is to be Made</b>
	<b>Low</b>	<b>High</b>			
One-Time Brand Fund Contribution <sup>13</sup>	\$7,500	\$7,500	Check or wire transfer	Before launch, and within 10 days of Billing.  See Item 11	Us
Additional funds (for first 3 months) <sup>14</sup>	\$80,000	\$80,000	As arranged with provider	Varies	Employees, suppliers
<b>Total<sup>15</sup></b>	<b>\$228,641</b>	<b>\$414,419</b>			

Notes

1. **Initial Franchise Fee.** The Initial Franchise Fee is based on a Tier 1 territory of up to 400 registered aircraft and 25 aviation-related businesses or a Tier 2 territory of up to 300 registered aircraft and 15 aviation-related businesses. The Tier 2 Initial Franchise Fee for a single territory is \$49,500, and the Initial Franchise Fee for a single Tier 1 territory is \$56,500. Additional registered aircraft may be purchased for \$25 each and additional aviation-related businesses may be purchased for \$125 each. Overages will not exceed \$10,000 per territory. If (1) you fail to complete the initial training program to our satisfaction (meaning you do not, per our training staff, meet the criteria of a RealClean franchisee or exhibit behavior that is objectively concerning to our training staff), or (2) we conclude, no more than 10 days after you complete the initial training program, that you do not have the ability to satisfactorily operate your franchise, then we have the right to terminate your franchise agreement. If we do so, we will refund your franchise fee less any out-of-pocket costs we have incurred including but not limited to commissions and fees that we have paid, subject to your signing a general release of our liability. Otherwise, all fees paid to us or our affiliates are non-refundable.

2. **Rent and Utilities.** You are allowed to operate from your home. However, if you are not able to store your equipment and inventory on-site at one or more airports, you will need to secure a warehouse or storage facility to store your equipment and inventory. We expect that you would lease a micro-industrial unit between 700 and 1,000 square feet.

3. **Grand Opening Advertising.** Beginning at least one month prior to the scheduled opening of your Franchise and continuing for six months after opening, you must spend at least \$4,000 per month on local marketing. For each additional territory, you must spend an additional \$1,500 per month on local advertising during this time period. The chart reflects the amounts spent during the month before opening and the first three months after opening.

4. **Computer, Phone, and Software Subscriptions.** We require you to purchase computer systems and software meeting our minimum specifications for use in your Franchise. This estimate includes the cost of the software packages, your office computer, a tablet or laptop computer, a telephone, a printer/scanner machine, and a Smartphone. You must also have Internet and other telecommunications equipment and services in accordance with our standards to permit electronic transmission of sales information.

5. **Insurances.** Before you open for business, you must purchase and maintain at your sole cost and expense the insurance coverage that we specify. You must comply with all state, servicing airports and FBO/MRO's minimums when obtaining insurance. See Item 8 for more information regarding our insurance requirements.

6. **Vehicle, Wrap, Outfitting, and Equipment Package.** You must purchase or lease a Dodge Ram Promaster Cargo Van 3500 High Roof or Ford Transit w/Knap Shelving or Ford Transit Van for your RealClean Business. While you may lease this vehicle, this estimate represents your purchase of the vehicle. The amounts reflected above and herein are for the required initial vehicles, vehicle wrap, wiring harness, hitch, outfitting, and equipment package that is rated to operate a single Franchise in a single territory. We will provide you with a package of all required supplies and equipment, including the approved suppliers to buy these items from. This includes approximately \$4,000 to \$5,000 that you will pay to us for aircraft cleaning supplies. The high figure assumes you fund the entire purchase with cash at the highest end of the price range. The low figure assumes you finance with a 10% down payment as described below. As noted in Item 8, RealClean Vehicles must be purchased only from approved dealers, and other proprietary products, including vehicle wraps and graphics, certain services, equipment or tools required or developed in the future may be supplied solely by us. These estimates are based on a 10% down payment, with the remainder financed over a 60-month term, at an interest rate of 11% plus three months of payments. Your down payment, term and interest may vary. You must obtain the required initial equipment prior to commencing operations. The required initial equipment consists of one approved vehicle plus graphics and outfitting. If paid in full, your total required equipment cost will range from \$151,439.53 to \$169,612.27. Below, we have shown the total investment to make you aware of the overall costs. These numbers were calculated by using \$68,897.03 for one Dodge Ram Promaster Cargo Van 3500 High Roof w/Knap Shelving, plus the required graphics package, and \$82,542.50 for the miscellaneous tools and equipment; the high amount includes an additional 12% buffer to account for extra expenses or inflation. These amounts do not include Sales Tax, Vehicle Registration Expenses, or Shipping Expenses to transport vehicles and equipment.

Equipment Type	Price Range	Down Payment of 10%	Amount Financed at 11%	Monthly Financed Amount	Amount Financed (3 Months)	Down Payment Plus 3 Months
	Low	Low	Low	Low	Low	Low
	High	High	High	High	High	High
<b>Ram Promaster Cargo Van 3500 High Roof w/Knap Shelving or Ford Transit and Graphics Pkg</b>	\$68,897.03	\$6,889.70	\$62,007.33	\$1,348.19	\$4,044.57	<b>\$10,934.27</b>
	\$77,164.67	\$7,716.47	\$69,448.20	\$1,509.97	\$4,529.91	<b>\$12,246.38</b>

**Opening Equipment and Tools**

\$82,542.50	\$8,254.25	\$74,288.25	\$1,615.21	\$4,845.63	<b>\$13,099.88</b>
\$92,447.60	\$9,244.76	\$83,202.84	\$1,809.03	\$5,427.09	<b>\$14,671.85</b>

The RealClean Vehicle must have a Global Positioning System (“GPS”) tracking system. The monthly cost per vehicle is currently approximately \$56.00 per vehicle. This estimate assumes three months of service. GPS allows you to monitor efficiencies in your business.

If you purchase more than one territory, you will need to purchase a second vehicle and equipment package by month four after launching. This includes all tools, outfitting, inventory, and required modifications to ensure operational capacity for servicing multiple territories.

7. **Business Licenses and Permits.** Business license costs vary widely depending on local laws and regulations. Additional permits may be required depending on your local laws and regulations. The low-end estimate would be in circumstances where you already have the business licenses and permits, or you are not required to obtain them in your jurisdiction. Consult the appropriate authorities to determine the amount applicable to a Franchise in your Territory.

8. **Professional Fees.** Estimated cost for professionals such as bookkeepers, accountants and attorneys. You are required to use a third-party bookkeeping service for your first year of operations. You may incur professional fees depending on the scope of work performed, which may include legal and accounting fees to review franchise documents and costs of forming a separate legal entity. This list is not exhaustive. This amount will vary greatly depending on your specific needs and location.

9. **Training Program.** The cost of the Initial Training Program for the Operating Principal and Manager is included in the Initial Franchise Fee. The chart estimates the costs for transportation, lodging, and meals for two trainees. These incidental costs are not included in the Initial Franchise Fee.

10. **Office Supplies.** The figures on this chart reflect the estimated range to purchase various furniture and fixtures, and common office supplies based upon your needs and preference to maintain an efficient and organized home office. The cost of furniture and fixtures will vary depending on suppliers. You are not required to purchase such office equipment.

11. **Software Implementation Assistance Fee.** We require you to pay us a Software Implementation Assistance Fee, in the amount of \$2,500, prior to opening and within 10 days of being billed. See Item 5 for additional information regarding the Custom Marketing & Services Activation Fee.

12. **Custom Marketing & Services Activation Fee.** We require you to pay us a Custom Marketing & Services Activation Fee, in the amount of \$5,000, prior to opening and within 10 days of being billed. See Item 5 for additional information regarding the Custom Marketing & Services Activation Fee.

13. **One-Time Brand Fund Contribution.** This contribution is per-territory. The amount listed in Item 7 is for a single territory; however, if you purchase more than one territory, up to four, you will need to multiply the amount of territories purchased by \$7,500.

14. **Additional Funds.** In formulating the amount required for additional funds, we relied on the following factors, basis, and experience: the development of a RealClean business by our affiliate, and our general knowledge of the industry. The estimate of additional funds for the initial phase of your business includes staff salaries, additional inventory, and operating expenses for the first three months in excess of income generated by the business. These estimates are for a single territory operation. We relied upon the experience of our company-owned/affiliate owned locations to compile these estimates.

15. **Total Estimated Initial Investment.** You should review these figures carefully with a business advisor before making any decision to invest in the franchise. This estimate is based on the experience of our corporate/affiliate-owned locations and those franchisors listed in Item 20. We and our affiliates do not finance any part of this initial investment.

## Item 8

### RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

#### Generally

We have the right to require you to purchase or lease all goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating your business either (1) from us, our designee or suppliers approved by us, or (2) according to our specifications.

#### Specific Obligations

The following are our current specific obligations for purchases and leases:

A. **Insurance.** You must obtain insurance as described in the Franchise Agreement and in our Manual, which includes (i) “Special” causes of loss coverage forms, including fire and extended coverage, crime, vandalism, and malicious mischief, on all property of the Business, for full repair and replacement value (subject to a reasonable deductible); (ii) Business interruption insurance covering at least 12 months of income, if applicable. This type of coverage is not typically offered on a standalone basis and is usually an ancillary coverage added to a building policy. Because RealClean franchisees operate in the contractor or service industry, this coverage may not be applicable or available in all cases. Instead, franchisees may be required to obtain similar protections through Cyber and Inland Marine insurance policies.; (iii) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage, written on an “occurrence” policy form in an amount of not less than \$3,000,000 single limit per occurrence and \$3,000,000 aggregate limit, (iv) Business Automobile Liability insurance including owned, leased, non-owned, and hired automobiles coverage in an amount of not less than \$1,000,000. In addition, franchisees must maintain Comprehensive and Collision coverage on all work vehicles, with a maximum deductible of \$2,500, to protect against physical

damage to vehicles owned or leased by the franchisee, (v) Workers Compensation coverage as required by state law. Your policies (other than Workers Compensation) must list us and our affiliates as an additional insured, must include a waiver of subrogation in favor of us and our affiliates, must be primary and non-contributing with any insurance carried by us or our affiliates, and must stipulate that we receive 30 days' prior written notice of cancellation, (vi) Cyber Liability Insurance. Franchisees must obtain Cyber Insurance with a minimum limit of \$500,000 (estimated annual cost: \$500–\$1,000). This coverage is essential to protect against financial losses and liabilities stemming from cyberattacks, ransomware, data breaches, social engineering, and other digital threats. Coverage should include breach costs, legal fees, business interruption, and data recovery expenses, and (vii) Inland Marine Insurance. Franchisees must obtain an Inland Marine policy covering all tools and equipment used in the operation of the RealClean business, up to the value of equipment provided by Franchisor under the initial agreement. This policy should cover the repair and/or replacement of equipment and potential business interruption due to a covered peril. This coverage is already reflected in the insurance estimates included in the FDD.

B. **Software.** Point-of-sale software and hardware, and related software and hardware. You must purchase (or lease) the point-of-sale software and hardware, and related software and hardware, that we specify. See Item 11 for more details.

C. **Vehicles.** You must decorate, equip and acquire one Dodge Ram Promaster Cargo Van 3500 High Roof or Ford Transit High Roof Van that meets our specifications and standards. You recognize that we may require you to periodically update the signage and decorations and other logos utilized on the vehicles from time to time.

D. **Equipment and Supplies.** You must purchase all required equipment and supplies from our approved suppliers. We will provide you with a list of all required supplies and equipment, including the approved suppliers to buy these items from.

#### Us or our Affiliates as Supplier

Our affiliate, Zeitler Enterprises Inc., will be a supplier of the cleaning products you will use for your RealClean Business; however, you will purchase those products from us, who will purchase some (but not all) products from Zeitler Enterprises, Inc. Zeitler Enterprises, Inc. is wholly owned by Dennis “Dustin” Zeitler, and he will therefore derive revenue from required franchisee purchases.

Our affiliate Conric will provide services to the Brand Fund. While Conric is a preferred vendor, it is not a required vendor, and other vendors will be available to you. Conric is partly owned by Lucas Goucher, and he may therefore derive revenue from required franchisee Brand Fund Contributions.

We are considering offering a subscription model to prospective customers, whereby they will be able to obtain a subscription at any location and utilize services at any location. In order to facilitate such a model, we will need to process payments and allocations of funds by and amongst franchisees. If and when we institute a subscription model, we will collect an administrative fee

for our work in processing payments and allocation funds, the amount of which we will provide to you upon thirty days' written notice.

Except as stated above, neither we nor any other affiliate is currently a supplier of any good or service that you must purchase.

### Alternative Suppliers

If you want to use a product or supplier that is not on our list of approved products or suppliers, you must request our approval in writing. We will grant or revoke approvals of products and suppliers based on criteria appropriate to the situation, which may include evaluations of the supplier's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. Our criteria for approving suppliers are not available to you. We permit you to contract with alternative suppliers who meet our criteria only if you request our approval in writing, and we grant approval. You will pay us a fee equal to \$500 for us to review or approve an alternate product or supplier. We will provide you with written notification of the approval or disapproval of any product or supplier you propose within 30 days after receipt of your request. We may grant approvals of new suppliers or revoke past approvals of suppliers on written notice to you, or by updating our Manual.

### Issuing Specifications and Standards

We issue specifications and standards to you for applicable aspects of the franchise in our Manual and/or in written directives. We may issue new specifications and standards for any aspect of our brand system, or modify existing specifications and standards, at any time by revising our Manual and/or issuing new written directives (which may be communicated to you by any method we choose). We will generally (but are not obligated to) issue new or revised specifications only after thorough testing in our headquarters, in company-owned outlets, and/or a limited market test in multiple units.

### Customer Warranty

You must provide to your customers the Customer Warranty found in the Operations Manual or other Manuals, which may be (a) modified from time to time, and/or (b) include a specific durational warranty on certain proprietary products and their application/installation.

### Revenue to Us and Our Affiliates

We will derive revenue from the required purchases and leases by franchisees. During the fiscal year ended December 31, 2024, we did not derive any revenue from the required purchases and leases by franchisees.

### Proportion of Required Purchases and Leases

We estimate that the required purchases and leases to establish your business are 90% to 95% of your total purchases and leases to establish your business.

We estimate that the required purchases and leases to operate your business are 30% to 35% of your total purchases and leases to operate your business.

Payments by Designated Suppliers to Us

We do currently receive payments from any designated suppliers based on purchases by you or other franchisees.

Purchasing or Distribution Cooperatives

No purchasing or distribution cooperative currently exists.

Negotiated Arrangements

We negotiate purchase arrangements with suppliers, including price terms, for the benefit of franchisees.

Benefits Provided to You For Purchases

We do not provide any material benefit to you based on your purchase of particular goods or services, or your use of particular suppliers.

**Item 9  
FRANCHISEE’S OBLIGATIONS**

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

Obligation	Section in Franchise Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	§ 6.1	Item 11
b. Pre-opening purchase/leases	§§ 6.2, 6.3	Items 5, 7, 8 and 11
c. Site development and other pre-opening requirements	Article 6	Items 5, 7, 8 and 11
d. Initial and ongoing training	§§ 5.4, 6.4, 7.6	Items 5, 6, 8 and 11
e. Opening	§§ 6.5, 6.6	Items 7, 8 and 11
f. Fees	Article 4, §§ 5.5, 7.8, 10.5, 11.2, 11.3, 15.2, 16.1, 17.6	Items 5, 6 and 7
g. Compliance with standards and policies/operating manual	§§ 6.3, 7.1, 7.3, 7.5, 7.7, 7.9 – 7.13, 7.15, 10.1, 10.4, 11.1	Items 8, 11 and 14
h. Trademarks and proprietary information	Article 12, § 13.1	Items 13 and 14
i. Restrictions on products/services offered	§ 7.3	Items 8, 11 and 16

Obligation	Section in Franchise Agreement	Disclosure Document Item
j. Warranty and customer service requirements	§§ 7.3, 7.8, 7.9	Item 8
k. Territorial development and sales quotas	Not Applicable	Item 12
l. Ongoing product/service purchases	Article 8	Items 6 and 8
m. Maintenance, appearance, and remodeling requirements	§§ 7.12, 7.13	Items 6, 7 and 8
n. Insurance	§ 7.15	Items 6, 7 and 8
o. Advertising	Article 9	Items 6, 7, 8 and 11
p. Indemnification	Article 16	Items 6 and 8
q. Owner's participation/management/staffing	§ 2.4	Items 15
r. Records and reports	Article 10	Item 11
s. Inspections and audits	§§ 10.5, 11.2	Items 6 and 11
t. Transfer	Article 15	Items 6 and 17
u. Renewal	§ 3.2	Item 17
v. Post-termination obligations	Article 13, § 14.3	Item 17
w. Non-competition covenants	§ 13.2	Item 17
x. Dispute resolution	Article 17	Items 6 and 17

**Item 10  
FINANCING**

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

**Item 11**  
**FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER**  
**SYSTEMS, AND TRAINING**

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

Our Pre-Opening Obligations

Before you open your business:

A. *Your site.* We expect you to operate your franchise from your home. However, if you choose to secure a site for your franchise, we do not assist you in (i) locating your site and negotiating the purchase or lease of the site, (ii) conforming the premises to local ordinances and building codes and obtaining any required permits, or (iii) constructing, remodeling, or decorating the premises. However, we will either approve of or deny your site within 30 days of receipt of all required documentation. We do not consider any factors in approving your site other than whether your site is located within your Territory (Section 6.5).

B. *Hiring and training employees.* We will provide you with our suggested staffing levels (Section 5.2), suggested guidelines for hiring employees (Section 5.2), operational instructions in the Manual which you can use as part of training new employees (Section 5.3), and our initial training program described below. All hiring decisions and conditions of employment are your sole responsibility.

C. *Necessary equipment, signs, fixtures, opening inventory, and supplies.* We will provide you a list of our specifications and approved suppliers for equipment, signs, fixtures, opening inventory, and supplies necessary to open your business. (Section 5.4)

D. *Operating Manual.* We will give you access to our Operating Manual (Section 5.1). See Exhibit E for the table of contents of our Operating Manual as of the date of this disclosure document. There are currently approximately 217 pages in the Operating Manual.

E. *Initial Training Program.* We will conduct our initial training program. (Section 5.4). The current initial training program is described below.

F. *Market introduction plan.* We will advise you regarding the planning and execution of your market introduction plan. (Section 5.4).

Length of Time to Open

The typical length of time between signing the franchise agreement and the opening of your business is between 2-4 months. Factors that may affect the time period include equipment availability, shipping delays, custom orders, your ability to obtain financing, obtain business permits and licenses, schedule initial training, take delivery of required equipment, and hire employees. If you do not open your RealClean business within four months after signing the Franchise Agreement, we reserve the right to terminate your Franchise Agreement.

## Our Post-Opening Obligations

After you open your business:

B. *Improving and developing your business; resolving operating problems you encounter.* If you request, we will provide advice to you (by telephone or electronic communication) regarding improving and developing your business, and resolving operating problems you encounter, to the extent we deem reasonable. If we provide in-person support in response to your request, we may charge a fee (currently \$500 per day) plus any out-of-pocket expenses (such as travel, lodging, and meals for our employees providing onsite support). (Section 5.5).

C. *Establishing prices.* We have the right to establish minimum and maximum prices for products and services, and will provide you assistance in establishing pricing for your franchise. (Section 5.5). We have the right to determine prices charged by our franchisees for goods and services (but only to the extent permitted by applicable law).

D. *Establishing and using administrative, bookkeeping, accounting, and inventory control procedures.* We will provide you with our required and approved providers and procedures for administration, bookkeeping, accounting, and inventory control. (Section 5.5). We may make any such procedures part of required (and not merely recommended) procedures for our system.

E. *Brand Fund.* We will administer the Brand Fund. (Section 5.5), and may use our affiliate (Conric) to provide services to such Brand Fund.

F. *Website.* We will maintain a website for the RealClean brand, which will include your business location and the local telephone number that we establish for you. (Section 5.5)

## Advertising

(i) *Our obligation.* We will use the Brand Fund only for marketing and related purposes and costs. Media coverage may be local, regional, or national. We use internal marketing employees and outside vendors and consultants to produce advertising, and we may use Brand Fund funds for these purposes. We are not required to spend any amount of advertising in the area or territory where any particular franchisee is located. We will maintain the brand website (which will be paid for by the Brand Fund). We have no other obligation to conduct advertising.

(ii) *Your own advertising material.* You may use your own advertising or marketing material only with our approval. To obtain our approval, you must submit any proposed advertising or marketing material at least 14 days prior to use. If we do not respond, the material is deemed rejected. If you develop any advertising or marketing materials, we may use those materials for any purpose, without any payment to you.

(iii) *Advertising Council.* We do not have an advertising council composed of franchisees. The franchise agreement does not give us the power to form an advertising council.

(iv) *Local or Regional Advertising Cooperatives.* We do not currently have any local or regional advertising cooperatives. We have the right to require you to participate in a local or

regional advertising cooperative. We will define the area of the cooperative based on media markets, or other geographic criteria that we deem appropriate. Each franchisee in the area would have one vote (unless the franchisee is in default under its franchise agreement). The amount you must contribute to the cooperative will be determined by vote of the members, but not less than 1% of gross sales. If our own outlets are members of a cooperative, they must contribute to the cooperative on the same basis as franchisees, and they will vote on the same basis as other members. If our outlets have controlling voting power, there is no maximum on fees that could be imposed. We administer the cooperative, but we have the right to delegate responsibility for administration to an outside company such as an advertising agency or accounting firm, or to the franchisee members of the cooperative. We have the right to require the cooperative to operate from written bylaws or other governing documents that we determine. The documents are not currently available for you to review. Cooperatives will prepare annual financial statements which will be available for review only by us and by the members of cooperative. We have the power to require cooperatives to be formed, changed, dissolved, or merged.

(v) *Brand Fund.* You and all other RealClean franchisees must contribute to our Brand Fund. Your contribution will initially be \$7,500 per Territory and, on an ongoing basis, 1.5% of Gross Sales per month. We reserve the right to increase the Brand Fund contribution up to 3% of Gross Sales upon thirty days' notice to you. All franchisees contribute the same percentage. We are not obligated to spend any particular amount of the Brand Fund on your Territory. Outlets that we own may not be obligated to contribute to the Brand Fund. Our affiliate, Conric, will provide services to the fund. The fund is not audited. We will make unaudited annual financial statements available to you upon your written request. If not all funds are spent in the fiscal year in which they accrue, such amounts will remain in the Brand Fund and be carried over into the next year. No money from the Brand Fund will be spent principally to solicit new franchise sales. The Brand Fund did not collect any monies in our last fiscal year. We intend to use local and regional advertising and media coverage using national or regional advertising agencies.

### Computer Systems

We require you to purchase computer systems and hardware, which may include a laptop, tablets, and cellphones in addition to software from the following vendors: QuickBooks, RingCentral, and ServiceMinder.

These systems provide management tools, operational systems, logistics and business systems needed to operate the franchised business. These systems will generate or store data such as marketing, financial, customer and order data.

We estimate that the initial cost of purchasing your computer and software systems will be between \$1,500 to \$5,000.

We are not obligated to provide any ongoing maintenance, repairs, upgrades, or updates. We do not require you to enter into any such contract with a third party. However, we may do so in the future.

You must upgrade or update any system when we determine. There is no contractual limit on the frequency or cost of this obligation.

We generally estimate that the annual cost of any optional or required maintenance, updating, upgrading, or support contracts will be \$500.

You must give us independent access to the information that will be generated or stored in these systems. The information that we may access will include sales, customer data, and reports. There is no contractual limitation on our right to access the information. According to the Franchise Agreement, we have complete ownership of all of this data.

Training Program

Our training program consists of the following:

**TRAINING PROGRAM**

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-The-Job Training</b>	<b>Location</b>
Sales Process	4	0	RealClean office & Virtual
Marketing	16	0	RealClean office, your location, or virtual
Warehouse/Inventory	1	0	RealClean office, your location, or virtual
Ordering/Processing	2	2	RealClean office, your location, or virtual
Staffing Best Practices	3	0	RealClean office, your location, or virtual
Technical Training	8	40	RealClean office & On the Field
Customer Experience	4	4	RealClean office, your location, or virtual
<b>TOTALS:</b>	<b>38</b>	<b>46</b>	

These training classes will be scheduled in accordance with the needs of new franchisees and include topics around how best to manage your business. There is no fee for up to 3 people to attend this training. You must pay the travel and living expenses of people attending training.

Training classes are currently led by Luke Goucher and/or Dustin Zeitler, whose experience is detailed in Item 2. We expect that all training staff will have, at least, two years of relevant experience in the field.

Training classes will be scheduled in accordance with the needs of new franchisees and include remote/virtual training as well as in-person training. We anticipate holding in-person training classes once per month. Training will be held at our office, your location, or virtually.

The instructional materials consist of the Operating Manual and other materials, lectures, discussions, and on-the-job demonstration and practice. Training must be attended by your Manager, Operating Principal, and/or Lead Detailer, as applicable.

Your Principal Executive must attend a national business meeting or our annual convention for up to 3 days each year currently in the event that we decide to host an annual convention.

Although it is our intent and practice to refine and develop products or services that you will offer to your customers, the franchise agreement does not obligate us to do so.

## **Item 12 TERRITORY**

You will operate your franchise within a designated territory (the “Territory”). The size and exclusivity of the Territory depend on whether it is classified as a **Tier 1** or **Tier 2** Territory. This section outlines the differences between these tiers, your rights within the Territory.

### Your Location

We anticipate that you will manage your RealClean business from a home office or small warehouse facility setting. Your primary office must be located in your territory (or one of your territories if you will have more than one).

### Grant of Territory

You will not receive an exclusive territory, meaning we will not grant another RealClean franchise to operate from a base within your defined territory. However, you may face competition from RealClean businesses operating outside your territory that serve customers in your territory, and we may serve national or regional accounts, or customers you are unable to service adequately. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. Due to the mobile nature of aircraft, aircraft owners may choose to service their aircraft at other franchises or with us. We will not operate or grant franchises to operate a RealClean business within your Territory.

A Tier 1 Territory is defined as a territory that has up to 400 registered aircraft and up to 25 aviation-related businesses. You will not receive an exclusive Tier 1 Territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

A Tier 2 Territory is defined as a territory that has up to 300 registered aircraft and up to 15 aviation-related businesses. You will not receive an exclusive Tier 2 Territory. 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 designate your Territory by zip codes or other geographic identifiers. We use AMSTAT and AIRPAC software to determine this data.

Continuation of your protected territory does not depend on achieving a certain sales volume or market penetration. However, your protection may be reduced or revoked if, in our sole discretion, you fail to meet performance benchmarks, generate multiple unresolved customer complaints, or fail to meet system standards as detailed in the Franchise Agreement and Manuals. We may terminate this Agreement or reduce your Territory immediately upon notice: (a) at any time that Franchisee has more than three (3) open customer complaints that have not been resolved to Franchisor's satisfaction within ten (10) days; and/or (b) if you perform work that does not meet System standards; and/or (c) you fail an audit performed by us or our designee; and/or (d) in our sole and absolute discretion, you are not meeting key performance indicators (KPIs), as defined in the Operations Manual and elsewhere in writing.

You and we acknowledge and agree that, because airports occasionally extend runways and/or change the complexity of the airport opening, your Territory may change slightly as a result of the airport and/or municipalities actions, unrelated to us.

#### National and Regional Accounts

We may market certain products and services on a national or regional basis, directly or through certain franchisees, without your consent, without offering you those rights, and without compensation to you, using either the Marks or other trademark or trade name. Because of the relationships with those national and regional customers, the profit margin associated with such services may be lower than sales to an independent customer. If we establish a national or regional account in your Territory, we reserve the right to require participation in national accounts and partnerships. We also reserve the right to revoke your authorization to service national or regional accounts if we determine, in our sole and absolute authority, that you are unable to properly service such account(s). In this case, we also reserve the right to permit a nearby franchisee to service the national or regional account(s) that we determine you are unable to properly service.

#### Relocation; Establishment of Additional Outlets

You may relocate your business headquarters anywhere in your territory or within one of your territories if you have more than one upon written approval by us.

You do not have the right to establish additional franchised outlets or expand into additional territories. If you desire to do so, you must (1) pay us the Initial Franchise Fee for the additional territories (2) be in compliance with your Franchise Agreement at all times since opening your business, (3) have demonstrated your capability to operate a multi-territory franchise successfully, and (4) obtain our approval.

You do not receive any options, rights of first refusal, or similar rights to acquire additional franchises.

#### Restrictions on Us From Soliciting or Accepting Orders In Your Territory

We will not serve customers in your Territory; however, we reserve the right to license other service centers within your Territory (possibly even at the same airport) to operate under the RealClean brand and offer RealClean products and services within your Territory at specific hangars within airports. We may serve (or authorize other franchisees to serve) customers in your Territory if you are in default, or if you are incapable of meeting customer demand in your Territory. We (or another authorized franchisee) will not serve a particular customer in your Territory unless you fail to properly serve such customer, or if we reasonably believe that you will not properly serve such customer. We reserve the right to use other channels of distribution, such as the internet, catalog sales, telemarketing, or other direct marketing sales, to make sales within your Territory (i) using our principal trademarks, but only for sales of products or services different from the ones you will offer, and (ii) using trademarks different from the ones you will use. In the circumstances where the franchise agreement does not prohibit us from soliciting or accepting orders from inside your Territory, we do not pay any compensation to you.

Soliciting by You Outside Your Territory


You cannot solicit or market to potential customers outside of your Territory. You cannot provide services outside of your Territory without our prior written permission. We may withdraw permission at any time. You do not have any right to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing to make sales outside of your Territory.

Competition by Us Under Different Trademarks

Neither we nor any of our affiliates operates, franchises, or has plans to operate or franchise a business under a different trademark selling goods or services similar to those you will offer. However, the franchise agreement does not prohibit us from doing so.

**Item 13  
TRADEMARKS**

The following are the principal trademarks that we own and license to you. The below trademarks have been filed for registration on the Principal Register of the United States Patent and Trademark Office.

Trademark	Registration/Serial Number	Registration/ Filing Date
REALCLEAN	Registration Number: 4359847	Registration Date: July 2, 2013
	Registration Number: 7440094	Registration Date: July 09, 2024

There are no currently effective material determinations of the U.S. Patent and Trademark Office, the Trademark Trial and Appeal Board or any state trademark administrator or court. We have no pending infringement, opposition or cancellation proceeding or pending material federal or state court litigation regarding our use or ownership rights in a trademark. We have no actual knowledge of any superior prior rights or infringing uses which could materially affect your use of such marks.

We have filed all require affidavits and will file all renewals as they become due.

If any administrative or judicial proceeding arising from a claim or challenge to your use of any of our marks, you must immediately notify us, and we may take any such action as we deem appropriate in order to preserve and protect the ownership, identity and validity of the marks. We are only obligated to defend you from any claims arising from your use of our primary marks. If we decide to modify or discontinue the use of any mark and/or use one or more additional or substitute marks, you will be responsible for the tangible costs (such as replacing signs and materials) associated with such a change. We are not required to reimburse you for any costs you incur in relation to any change or substitution, such as the cost of changing stationery or signage, and have no obligation or liability to you as a result of any change or substitution.

You are required to immediately notify us of any use of, or claims of rights to, a mark identical to or confusingly similar to our marks. We have the right, but not the obligation, to bring any action against any third party using such a similar mark. You are required to participate in any such action we bring against a third party at your own expense. (Section 12.3) We have the right to control any such litigation or administrative proceedings, including any settlement.

#### **Item 14**

### **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

No patents are material to the franchise. We do not have any pending patent applications that are material to the franchise. We and/or our affiliates have copyrighted or may copyright advertising materials and design specifications, our Manual and other written materials and items. We consider this information to be proprietary trade secrets, protectable under common law and applicable state laws. We also claim common law copyrights to the operational and training materials, building plans and specifications, and other proprietary materials specifically created by us in connection with the system, including proprietary advertisements, all materials presented to prospective customers of our brand, all product related marketing research, certain information on web and printed materials and forms used in connection with the operation of a RealClean business. The Manual and other proprietary materials have not been registered with any copyright office.

There currently are no effective adverse determinations of the United States Copyright Office (Library of Congress) or any court regarding the copyrighted materials. No agreement limits our right to use or allow others to use the confidential information or copyrighted materials. We know of no infringing uses of our copyrights which could materially affect your using the copyrighted materials in any state.

You must immediately inform us if you learn of any unauthorized use, infringement or challenge to the copyrighted materials, proprietary or confidential information, including but not limited to our Operations Manual. We will take any and all action(s) (or refrain from same) that we determine, in our sole discretion, to be appropriate. We may control any action we choose to bring. We have no obligation to participate in or indemnify you for any infringement claims in regard to our copyrights. You must modify or discontinue use of the subject matter covered by any copyright if directed by us at your own expense.

## **Item 15**

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

#### Your Participation

Your RealClean Business must be under the direct, on-premises supervision of a manager or an assistant manager selected by you and approved by us. We do not require that such manager or assistant manager own an ownership interest in your business entity; however, your manager must always be under the direct supervision of you or another individual who has successfully completed initial training to our satisfaction.

Each franchisee must appoint an individual owner as its “Operating Principal” who must own at least a 20% interest in the entity-franchisee, must have authority over all business decisions related to the Franchise, and must have the power to bind the franchisee in all dealings with us. Each franchisee must also appoint a manager (the “Manager”) and lead detailer (the “Lead Detailer”) to manage the day-to-day business of the Franchise. The Operating Principal is required to oversee all business matters related to the Franchise, but is not required to have day-to-day operational involvement. Optionally, your Operating Principal may serve as your Lead Detailer or Manager (but not both) unless we believe that he or she does not have sufficient experience. You must provide us with written notice of your Operating Principal and Manager at least 60 days’ prior to opening the Franchise. You must hire employees to perform the Services, and you are ultimately responsible for their actions and must ensure that you have an adequate number of employees to meet demand in your Territory and that they follow brand standards specified by Franchisor.

If you are the sole owner of the business, then you are deemed the “Principal Executive”. If the business is owned through a corporation or limited liability company, you must designate one person as your “Principal Executive.” The Principal Executive is the executive primarily responsible for your business and has decision-making authority on behalf of the business. The Principal Executive must own at least 10% of the business. The Principal Executive must complete our initial training program. The Principal Executive must complete any post-opening training programs that we develop in the future. The Principal Executive must make reasonable efforts to attend all in-person meetings and remote meetings (such as telephone conference calls), including regional or national brand conferences, that we require. The Principal Executive cannot fail to attend more than three consecutive required meetings.

If your business is owned by an entity, all owners of the business must sign our Guaranty and Non-Compete Agreement (see Attachment 2 to Exhibit B). Spouses of all of the owners of the business entity are not required to sign the Guaranty and Non-Compete Agreement, unless a spouse is involved in a business or employment in the aircraft detailing industry or a related field, in which case a non-compete agreement may be required.

#### Restrictions on Your Manager

If we request, you must have your general manager sign a confidentiality and non-compete agreement. We do not require you to place any other restrictions on your manager.

#### Restrictions on Disposition of Franchise Equipment

Franchisees may not sell, sublease, scrap, donate, barter, or otherwise dispose of any franchise equipment without express consent from us. We require first rights to repossess any equipment used in the operation of a franchise, including but not limited to parts, inventory, tools, and communications devices.

We will compensate the franchisee and/or any lien holders for the repossession of franchise equipment. Compensation may be reduced by outstanding amounts you owe us.

We have full discretion and rights as it applies to repossessing any of your equipment. Our rights do not release you from any liens, leases, or financing agreements. We do not co-sign for any of your equipment, and will not assume liabilities in the event of failure to make payment.

### **Item 16**

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

You must offer for sale only those goods and services that we have approved in writing.

You must offer for sale all goods and services that we require. We have the right to change the types of authorized goods or services, and there are no limits on our right to make changes.

We do not restrict your access to customers, except that all sales must be made to customers in your Territory. All sales must be made through our point-of-sale system, including issuing invoices and receipts. You may not collect cash from or otherwise charge customers outside of our point-of-sale system.

**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.**

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	§ 3.1	10 years from date of franchise agreement.
b. Renewal or extension of the term	§ 3.2	You may renew the franchise agreement for one (1) additional 10-year term.
c. Requirements for franchisee to renew or extend	§ 3.2	For our franchise system, “renewal” means that at the end of your term, you sign our successor franchise agreement for an additional 10-year term. You may be asked to sign a contract with materially different terms and conditions than your original contract.  To renew, you must give advance notice to us; be in compliance; conform your business to then-current standards for new franchisees; sign then-current form of franchise agreement; sign general release (unless prohibited by applicable law).
d. Termination by franchisee	§ 14.1	If we violate a material provision of the franchise agreement and fail to cure or to make substantial progress toward curing the violation within 30 days after notice from you. (subject to state law)
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	§ 14.2	We may terminate your franchise agreement for cause, subject to any applicable notice and cure opportunity.

Provision	Section in Franchise Agreement	Summary
g. "Cause" defined--curable defaults	§ 14.2	Non-payment by you (10 days to cure); violate franchise agreement other than non-curable default (30 days to cure).
h. "Cause" defined--non-curable defaults	§ 14.2	Misrepresentation when applying to be a franchisee; knowingly submitting false information; bankruptcy; violation of law; violation of confidentiality; violation of non-compete; violation of transfer restrictions; slander or libel of us; refusal to cooperate with our audit or evaluation; cease operations for more than 15 consecutive days; two defaults in 12 months; cross-termination; charge or conviction of a felony, or accusation of an act that is reasonably likely to materially and unfavorably affect our brand; any other breach of franchise agreement which by its nature cannot be cured.
i. Franchisee's obligations on termination/non-renewal	§§ 14.3 – 14.6	Pay all amounts due; return Manual and proprietary items; notify phone, internet, and other providers and transfer service; cease doing business; remove identification; purchase option by us.
j. Assignment of agreement by franchisor	§ 15.1	Unlimited
k. "Transfer" by franchisee - defined	Article 1	For you (or any owner of your business) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the business, (ii) the franchise agreement, (iii) direct or indirect ownership interest of more than 25% of the business, or (iv) control of the business.
l. Franchisor's approval of transfer by franchisee	§ 15.2	No transfers without our approval.

Provision	Section in Franchise Agreement	Summary
m. Conditions for franchisor's approval of transfer	§ 15.2	Pay transfer fee (subject to applicable state law); buyer meets our standards; buyer is not a competitor of ours; buyer and its owners sign our then-current franchise agreement and guaranty; you've made all payments to us and are in compliance with the franchise agreement; buyer completes training program; you sign a general release; business complies with then-current system specifications. If we approve of a transfer to your spouse, child or sibling, there will be no transfer fee. If you transfer your franchise rights to your spouse, child or sibling, they must sign a personal guaranty.
n. Franchisor's right of first refusal to acquire franchisee's business	§ 15.5	If you want to transfer your business (other than to your spouse, sibling, or child), we have a right of first refusal.
o. Franchisor's option to purchase franchisee's business	Not Applicable	Not Applicable
p. Death or disability of franchisee	§§ 2.4, 15.4	If you die or become incapacitated, a new principal operator acceptable to us must be designated to operate the business, and your executor must transfer the business to a third party within nine months.
q. Non-competition covenants during the term of the franchise	§ 13.2	Neither you, any owner of the business, or any spouse of an owner may have ownership interest in, or be engaged or employed by, any competitor. (subject to state law)

Provision	Section in Franchise Agreement	Summary
r. Non-competition covenants after the franchise is terminated or expires	§ 13.2	For two years, no ownership or employment by a competitor operating in your former Territory or within 50 miles of any other RealClean business operating on the date of termination. (subject to applicable state law)
s. Modification of the agreement	§ 18.4	No modification or amendment of the franchise agreement will be effective unless it is in writing and signed by both parties. This provision does not limit our right to modify the Manual or system specifications.
t. Integration/merger clause	§ 18.3	Only the terms of the franchise agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.
u. Dispute resolution by arbitration or mediation	§ 17.1	All disputes are resolved by arbitration (except for injunctive relief) (subject to applicable state law).
v. Choice of forum	§§ 17.1; 17.5	Arbitration will take place where our headquarters is located (currently, Maple Park, Illinois) (subject to applicable state law). Any legal proceedings not subject to arbitration will take place in the District Court of the United States, in the district where our headquarters is then located, or if this court lacks jurisdiction, the state courts of the state and county where our headquarters is then located (subject to applicable state law).

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
w. Choice of law	§ 18.8	Although the forum of any dispute will be in Illinois, Florida law will govern (subject to applicable state law)

**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 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.

Background

Our affiliate, Aircraft Detailing, LLC d/b/a RealClean Aircraft Detailing, has continuously operated a RealClean Aircraft Detailing business since February of 2019 that serves airports in the Chicagoland, Quad Cities, and Moline, Illinois area.

The table below is a historical financial performance representation and includes the actual Total Income earned and certain Expenses incurred by our affiliate during the 2024 calendar year.

<b>January - December 2024</b>		
	<b>Amount</b>	<b>Percent</b>
<b>Total Income</b>	<b>\$1,895,380</b>	
<b>Cost of Goods Sold</b>		
Travel Expense	\$0	0.0%
Direct Labor	\$765,235	40.4%
Fuel	\$30,140	1.6%
Site Commission	\$10,360	0.5%
Detailing Supplies	\$101,669	5.4%
Credit Card Processing Fees	\$15,507	0.8%
<b>Total Cost of Goods Sold</b>	<b>\$922,911</b>	<b>48.7%</b>
<b>Gross Profit</b>	<b>\$972,469</b>	<b>51.3%</b>

<b>SG&amp;A / Disclosed Expenses</b>		
Advertising and Marketing	\$94,769	5.0%
Airport Fees	\$1,105	0.1%
Auto Expense	\$8,477	0.4%
Bookkeeping Services	\$2,100	0.1%
Computer & Internet Expenses	\$6,172	0.3%
Equipment Rental	\$12,603	0.7%
Equipment Repairs	\$3,494	0.2%
Insurances	\$92,698	4.9%
Payroll Taxes	\$62,101	3.3%
Manager Salary	\$112,028	5.9%
Towel Cleaning	\$9,964	0.5%
Technology Fee	\$9,540	0.5%
Royalty Fee	\$142,153	7.5%
Brand Fund Fee	\$28,431	1.5%
<b>Total SG&amp;A / Disclosed Expenses</b>	<b>\$585,636</b>	<b>30.9%</b>
<b>Total Income Less Total Cost of Goods Sold and Total SG&amp;A / Disclosed Expenses</b>	<b>\$386,833</b>	<b>20.4%</b>

During the 2024 calendar year, we accumulated data for ticket prices for services rendered as follows:

<b>Average</b>	<b>Median</b>	<b>Highest</b>	<b>Lowest</b>
\$2,987.50	\$1,559.00	\$34,995.46	\$130.00

The table below is a historical financial performance representation and includes the actual Total Income earned and certain Expenses incurred by our affiliate during the 2023 calendar year.

<b>January - December 2023</b>		
	<b>Amount</b>	<b>Percent</b>
<b>Total Income</b>	<b>\$ 1,921,800.49</b>	
<b>Cost of Goods Sold</b>		
Travel Expense	\$ 21,462.50	1.1%
Direct Labor	\$ 681,025.64	35.4%
Fuel	\$ 32,775.70	1.7%
Site Commission	\$ 1,848.07	0.1%
Detailing Supplies	\$ 110,323.72	5.7%
Credit Card Processing Fees	\$ 9,506.66	0.5%
<b>Total Cost of Goods Sold</b>	<b>\$ 856,942.29</b>	<b>44.6%</b>
<b>Gross Profit</b>	<b>\$ 1,064,858.20</b>	<b>55.4%</b>
<b>SG&amp;A / Disclosed Expenses</b>		
Advertising and Marketing	\$ 96,090.02	5.0%

Airport Fees	\$ 1,019.30	0.1%
Auto Expense	\$ 24,704.52	1.3%
Bookkeeping Services	\$ 4,200.00	0.2%
Computer & Internet Expenses	\$ 7,580.15	0.4%
Equipment Rental	\$ 360.00	0.0%
Equipment Repairs	\$ 16,544.99	0.9%
Insurances	\$ 89,504.91	4.7%
Payroll Taxes	\$ 86,180.96	4.5%
Manager Salary	\$ 121,361.84	6.3%
Towel Cleaning	\$ 10,539.28	0.5%
Technology Fee	\$ 9,540.00	0.5%
Royalty Fee	\$ 144,135.04	7.5%
Brand Fund Fee	\$ 28,827.01	1.5%
<b>Total SG&amp;A / Disclosed Expenses</b>	<b>\$ 640,588.02</b>	<b>33.3%</b>
<b>Total Income Less Total Cost of Goods Sold and Total SG&amp;A / Disclosed Expenses</b>	<b>\$ 424,270.18</b>	<b>22.1%</b>

During the 2023 calendar year, we accumulated data for ticket prices for services rendered as follows:

<b>Average</b>	<b>Median</b>	<b>Highest</b>	<b>Lowest</b>
\$2,715.46	\$1,652.18	\$27,641.25	\$120.00

**Additions:**

Notes:

1. “Total Income” means all revenue received from the sale of products and services less discounts and refunds. In 2024, Total Income excluded \$21,360.00 from Leather Re-Dye. In 2023, Total Income included \$5,500 from Training and \$450 from Leather Re-Dye. This revenue will not be available to you as a franchisee and, as such, for the purposes of this Item 19, our Total Income was \$1,915,850.49 in 2023, and is accurately reflected above for 2024.

2. “Travel Expenses” includes costs incurred for employees to travel to job sites which may require overnight or extended accommodations.

3. “Site Commission” includes commission payments made to FBOs and MROs for exclusive rights to service aircraft at their centers.

4. “Total Cost of Goods Sold” is calculated by adding Travel Expense, Direct Labor, Fuel, Site Commission, Detailing Supplies, and Credit Card Processing Fees. These are the expenses experienced by location on which this Item 19 was based. You may incur additional direct costs that are not included in this category.

5. “Gross Profit” was calculated by subtracting Total Cost of Goods Sold from Total Income.

6. “SG&A / Disclosed Expenses” includes certain Selling, General, and Administrative Expenses experienced by the reporting location during the periods represented and

are provided as a reference. How and where you operate your business will affect some of these categories.

7. “Advertising and Marketing” is provided as a reference to reflect 5% of the affiliate’s Total Income for the periods provided per system standards. A new franchise outlet may incur Advertising and Marketing expenses higher than 5% of Total Income, especially in the first year of operations.

8. “Airport Fees” are fees paid to airports to grant the ability to affiliate staff to enter and perform services on their premises.

9. “Bookkeeping Services” is provided to give an estimate of the cost that may be incurred by sourcing a bookkeeper to manage routine financial reporting tasks. The level of support that you wish to receive from an outsourced bookkeeper could impact this estimate.

10. “Payroll Taxes” represent employer payroll taxes paid for Direct Labor employees and one Operations Manager.

11. “Manager Salary” represents wages paid to an Operations Manager who was employed full time during the periods shown.

12. “Technology Fee”, “Royalty Fee”, and Brand Fund Fee” were not paid by the affiliate in 2023 but are shown to reflect what would have been paid during those periods as outlined in this FDD for a franchised outlet.

13. “Total Income Less Total Cost of Goods Sold and Total SG&A / Disclosed Expenses” was calculated by subtracting Total Cost of Goods Sold and Total SG&A / Disclosed Expenses from Total Income. Total Income Less Total Cost of Goods Sold and Total SG&A / Disclosed Expenses is the same as “Net Profit.”

**Some outlets have earned this amount. Your individual results may differ. There is no assurance 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 we do not make any 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 RealClean Franchisor, LLC, 107 Center Street, P.O. Box 100, Maple Park, Illinois 60151, and 833-412-3444, the Federal Trade Commission, and the appropriate state regulatory agencies.

**Item 20**  
**OUTLETS AND FRANCHISEE INFORMATION**

**Table 1**  
**Systemwide Outlet Summary**  
**For years 2022 to 2024**

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

**Table No. 2**  
**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)**  
**For years 2022 to 2024**

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

**Table 3  
Status of Franchised Outlets  
For years 2022 to 2024**

State	Year	Outlets at the Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
<b>Totals</b>	<b>2022</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2023</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2024</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Table 4  
Status of Company-Owned Outlets  
For years 2022 to 2024**

State	Year	Outlets at the Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Illinois*	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
<b>Totals</b>	<b>2022</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
	<b>2023</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
	<b>2024</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>

\*This Outlet is comprised of five (5) Territories, four of which are in Illinois and one of which is in Wisconsin. The first Territory was in Illinois and, as such, for the purposes of Item 20, this Outlet is being listed as an Illinois Outlet.

**Table 5  
Projected Openings as of December 31, 2024**

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets In The Next Fiscal Year	Projected New Company-Owned Outlets In the Next Fiscal Year
Alabama	0	1	0
Arizona	0	3	0
California	0	8	0
Colorado	0	3	0
Connecticut	0	1	0

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets In The Next Fiscal Year	Projected New Company-Owned Outlets In the Next Fiscal Year
Florida	0	10	0
Georgia	0	3	0
Idaho	0	1	1
Indiana	0	2	0
Iowa	0	1	0
Kansas	0	1	0
Louisiana	0	1	0
Maine	0	1	0
Maryland	0	1	0
Massachusetts	0	1	0
Michigan	0	2	0
Minnesota	0	1	0
Missouri	0	1	0
Montana	0	1	0
Nebraska	0	1	0
Nevada	0	2	0
New Hampshire	0	1	0
New Jersey	0	3	0
New York	0	2	0
North Carolina	0	3	0
Ohio	0	4	0
Oklahoma	0	2	0
Oregon	0	2	0
Pennsylvania	0	2	0
South Carolina	0	1	0
Tennessee	0	3	0
Texas	0	10	0
Utah	0	1	0
Virginia	0	1	0
Washington	0	2	0
Wisconsin	0	2	0
<b>Totals</b>	<b>0</b>	<b>85</b>	<b>0</b>

### Current Franchisees

Exhibit F contains the names of all current franchisees (as of the end of our last fiscal year) and the address and telephone number of each of their outlets.

### Former Franchisees

Exhibit F contains the name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the disclosure document issuance date.

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

### Confidentiality Clauses

In the last three fiscal years, current and former franchisees have signed agreements that directly or indirectly restrict them from discussing their personal experience as a franchisee in our system with any prospective franchisee.

### Franchisee Organizations

There are no trademark-specific franchisee organizations associated with our franchise system.

## **Item 21 FINANCIAL STATEMENTS**

We have not been in business for three years or more, and therefore cannot include all financial statements required by the Franchise Rule of the Federal Trade Commission. Exhibit D contains our audited financial statements for the year ending on December 31, 2024, and our unaudited financial statements for the period ending October 31, 2025. Our fiscal year end is December 31.

## **Item 22 CONTRACTS**

Copies of all proposed agreements regarding this franchise offering are attached as the following Exhibits:

- B. Franchise Agreement (with Guaranty and Non-Compete Agreement)
- C. Form of General Release
- H. State Addenda to Franchise Agreement
- I. Sample Equipment Sales Agreement

**Item 23**  
**RECEIPTS**

Detachable documents acknowledging your receipt of this disclosure document are attached as the last two pages of this disclosure document.

## EXHIBIT A

### STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

We may register this Disclosure Document in some or all of the following states in accordance with the applicable state law. If and when we pursue franchise registration, or otherwise comply with the franchise investment laws, in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in each state and the state offices or officials that we will designate as our agents for service of process in those states:

State	State Administrator	Agent for Service of Process (if different from State Administrator)
California	Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 2101 Arena Boulevard Sacramento, CA 95834 866-275-2677	
Hawaii	Department of Commerce and Consumer Affairs Business Registration Division Commissioner of Securities P.O. Box 40 Honolulu, HI 96810 (808) 586-2722	Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, HI 96813
Illinois	Franchise Bureau Office of Attorney General 500 South Second Street Springfield, IL 62706 (217) 782-4465	
Indiana	Franchise Section Indiana Securities Division Secretary of State Room E-111 302 W. Washington Street Indianapolis, IN 46204 (317) 232-6681	
Maryland	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Commissioner of Securities 200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Attorney General's Office Consumer Protection Division Attn: Franchise Section 525 W. Ottawa Street Williams Building, 1st Floor Lansing, MI 48933 (517) 373-7117	

<b>State</b>	<b>State Administrator</b>	<b>Agent for Service of Process (if different from State Administrator)</b>
Minnesota	Minnesota Department of Commerce Securities-Franchise Registration 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Commissioner of Commerce Minnesota Department of Commerce 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500
New York	NYS Department of Law Investor Protection Bureau 28 Liberty St., 21 <sup>st</sup> Floor New York, NY 10005 (212) 416-8222	Secretary of State 99 Washington Avenue Albany, NY 12231
North Dakota	North Dakota Securities Department 600 East Boulevard Ave., State Capital Fifth Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712	Securities Commissioner North Dakota Securities Department 600 East Boulevard Avenue State Capitol, Fifth Floor Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712
Rhode Island	Department of Business Regulation Securities Division 1511 Pontiac Avenue John O. Pastore Complex-69-1 Cranston, RI 02920-4407 (401) 462-9527	
South Dakota	Division of Insurance Securities Regulation 124 South Euclid Suite 104 Pierre, SD 57501-3185 (605) 773-3563	Director of the Division of Insurance 124 South Euclid Suite 104 Pierre, SD 57501-3185 (605) 773-3563
Virginia	State Corporation Commission 1300 East Main Street 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219
Washington	Department of Financial Institutions Securities Division PO Box 41200 Olympia, WA 98504-1200 (360) 902-8760	Department of Financial Institutions Securities Division 150 Israel Rd SW Tumwater, WA 98501 (360) 902-8760
Wisconsin	Division of Securities Department of Financial Institutions Post Office Box 1768 Madison, WI 53701 (608) 266-2801	Securities And Franchise Registration Wisconsin Securities Commission 201 West Washington Avenue, Suite 300 Madison, WI 53703

**EXHIBIT B**  
**FRANCHISE AGREEMENT**



# REALCLEAN

## AIRCRAFT DETAILING

### FRANCHISE AGREEMENT

#### SUMMARY PAGE

- |   |   |
|---|---|
| <b>1. Franchisee</b>                                      | _____   |
| <b>2. Initial Franchise Fee</b>                           | \$ _____  |
| <b>3. Number of Registered Aircraft</b>                   | _____   |
| <b>4. Opening Deadline</b>                                | Four (4) Months after Executing Franchise Agreement |
| <b>5. Principal Executive</b>                             | _____   |
| <b>6. Franchisee's Address</b>                            | _____   |
| <b>7. Franchisee's State(s) of Residence</b>              | _____   |
| <b>8. State(s) in which the Business will be operated</b> | _____   |

## FRANCHISE AGREEMENT

This Agreement is made between RealClean Franchisor, LLC, a Florida limited liability company, (“Franchisor”) and Franchisee effective as of the date signed by Franchisor (the “Effective Date”).

### Background Statement:

A. Franchisor, along with its affiliates, have developed, maintained, and own exclusive rights to a system (the “System”) for developing and operating a business that offers, sells, and provides professional aircraft detailing services for both small and large commercial and general aircrafts. under the trade name “RealClean”.

B. The System includes (1) methods, procedures, and standards for developing and operating a RealClean business, (2) particular products and services, (3) the Marks, (4) training programs, (5) business knowledge, (6) marketing plans and concepts, and (7) other mandatory or optional elements as determined by Franchisor from time to time.

C. The parties desire that Franchisor license the Marks and the System to Franchisee for Franchisee to develop and operate a RealClean business on the terms and conditions of this Agreement.

## ARTICLE 1. DEFINITIONS

“**Action**” means any action, suit, proceeding, claim, demand, governmental investigation, governmental inquiry, judgment or appeal thereof, whether formal or informal.

“**Approved Vendor**” means a supplier, vendor, or distributor of Inputs which has been approved by Franchisor.

“**Business**” means the RealClean business owned by Franchisee and operated under this Agreement.

“**Competitor**” means any business which offers, sells, or provides products and services related to professional aircraft cleaning and detailing.

“**Confidential Information**” means all non-public information of or about the System, Franchisor, and any RealClean business, including all methods for developing and operating the Business, and all non-public plans, data, financial information, processes, vendor pricing, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, customer data, information and know-how.

“**Gross Sales**” means the total dollar amount of all sales and revenues generated through the Business for a given period, whether for cash, credit, or any other form of payment. Gross Sales does not include (i) bona fide refunds to customers, (ii) sales taxes collected by Franchisee, (iii) sales of used equipment not in the ordinary course of business, (iv) sales of prepaid cards or similar

products (but the redemption of any such card or product will be included in Gross Sales), or (v) sales of Ancillary Services, as defined herein.

**“Input”** means any goods, services, supplies, fixtures, equipment, inventory, computer hardware and software, real estate, or comparable items related to establishing or operating the Business.

**“Location”** means Franchisee’s address as stated on the Summary Page.

**“Losses”** includes (but is not limited to) all losses; damages; fines; charges; expenses; lost profits; reasonable attorneys’ fees; travel expenses, expert witness fees; court costs; settlement amounts; judgments; loss of Franchisor’s reputation and goodwill; costs of or resulting from delays; financing; costs of advertising material and media time/space and the costs of changing, substituting or replacing the same; and any and all expenses of recall, refunds, compensation, public notices and other such amounts incurred in connection with the matters described.

**“Manual”** means Franchisor’s confidential Operating Manual(s), including any supplements, additions, or revisions from time to time, which may be in any form or media.

**“Brand Fund”** means the fund established by Franchisor into which Brand Fund Contributions are deposited.

**“Marks”** means the trade name and logo contained on the Summary Page, and all other trade names, trademarks, service marks and logos specified by Franchisor from time to time for use in a RealClean business.

**“Owner”** means each person or entity which directly or indirectly owns or controls any equity of Franchisee. If Franchisee is an individual person, then “Owner” means Franchisee.

**“Required Vendor”** means a supplier, vendor, or distributor of Inputs which Franchisor requires franchisees to use.

**“System Standards”** means, as of any given time, the then-current mandatory procedures, requirements, and/or standards of the System as determined by Franchisor, which may include without limitation, any procedures, requirements and/or standards for appearance, business metrics, cleanliness, customer service, design, equipment, inventory, marketing and public relations, operating hours, presentation of Marks, product and service offerings, quality of products and services (including any guaranty and warranty programs), reporting, safety, technology (such as computers, computer peripheral equipment, smartphones, point-of-sale systems, back-office systems, information management systems, security systems, video monitors, other software, backup and archiving systems, communications systems (including email, audio, and video systems), payment acceptance systems, and internet access, as well as upgrades, supplements, and modifications thereto), uniforms, and vehicles.

**“Territory”** means the Territory or Territories stated on the Summary Page and further defined by the map(s) and list(s) of zip codes attached hereto in Attachment 3.

“**Transfer**” means for Franchisee (or any Owner) to voluntarily or involuntarily transfer, sell, or dispose of, in any single or series of transactions, (i) substantially all of the assets of the Business, (ii) this Agreement, (iii) direct or indirect ownership interest of more than 25% of the Business, or (iv) control of the Business.

## ARTICLE 2. GRANT OF LICENSE

**2.1 Grant.** Franchisor grants to Franchisee the non-exclusive right to operate a RealClean business solely in the Territory. Franchisee shall develop, open and operate a RealClean business in the Territory for the entire term of this Agreement.

### **2.2 Protected Territory.**

(a) Limitation. Franchisee shall not solicit or market to potential customers outside of the Territory, except for solicitations or marketing which are primarily targeted inside the Territory and which incidentally reach potential customers outside of the Territory.

(b) Service. Franchisee shall not provide services at any location outside of the Territory without Franchisor’s prior written permission. Franchisor may withdraw permission at any time. If Franchisee provides services at any location outside of the Territory without Franchisor’s prior written permission, Franchisor may impose a fee equal to the greater of (i) \$500 or (ii) 75% of the amount paid by such customer to Franchisee. This fee is a reasonable estimate of Franchisor’s internal cost of personnel time attributable to addressing Franchisee’s breach of this Section, and it is not a penalty or estimate of all damages arising from Franchisee’s breach. This fee is in addition to all of Franchisor’s other rights and remedies.

(c) Territory Protection. Franchisor shall not serve customers located in the Territory other than for the reasons set forth in Section 2.2(c)(iii) herein; however, Franchisor retains the right to:

- (i) license to third-party service centers in the Territory to operate under the RealClean brand and provide RealClean products and services within the Territory. Third-party service centers may be located at the same airport(s) as Franchisee operates but will be restricted to the hangar(s) owned and/or operated by the third-party service center;
- (ii) serve (or authorize other franchisees to serve) customers in the Territory if Franchisee is in default, or if Franchisee is incapable of meeting customer demand in the Territory (in Franchisor’s reasonable opinion), after notice of the same has been delivered to Franchisee in writing and Franchisee has been given a reasonable opportunity to correct defaults and to serve such customers;
- (iii) serve (or authorize other franchisees to serve) a particular customer in the Territory if Franchisee fails to properly serve such customer, or if Franchisor reasonably believes that Franchisee will not properly serve such customer after notice of the same has been delivered to Franchisee in writing and Franchisee has been given a reasonable opportunity to serve such customers;

- (iv) establish and license others to establish and operate RealClean businesses outside the Territory;
- (v) operate and license others to operate businesses anywhere that do not operate under the RealClean brand name; and
- (vi) sell and license others to sell RealClean products and services to customers in the Territory through channels of distribution (including the internet).

(d) Policies. Franchisor may set policies binding on all franchisees regarding soliciting, marketing, and serving customers in another franchisee's Territory, and Franchisor may waive or modify such policies in any circumstance as Franchisor determines. If Franchisee obtains a client in the protected Territory of another franchisee, then, in addition to all other rights and remedies Franchisor may have, Franchisor may in its discretion (i) require Franchisee to transfer the client to such other franchisee, (ii) require Franchisee to pay such other franchisee 75% of the Gross Sales received from such client, or (iii) fashion such other remedy as Franchisor deems appropriate.

(e) Referrals and National Accounts. Franchisor reserves the right, in its sole discretion, to set policies binding on all franchisees, including Franchisee, regarding national accounts and referral fees (and related terms and conditions) between Franchisor and its affiliates and Franchisee.

**2.3 Franchisee Control.** Franchisee represents that Attachment 1 (i) identifies each owner, officer and director of Franchisee, and (ii) describes the nature and extent of each owner's interest in Franchisee. If any information on Attachment 1 changes (which is not a Transfer), Franchisee shall notify Franchisor within ten (10) days of such change.

**2.4 Principal Executive.** Franchisee agrees that the person designated as the "Principal Executive" on the Summary Page is the executive primarily responsible for the Business and has decision-making authority on behalf of Franchisee. The Principal Executive must have at least 10% ownership interest in Franchisee. The Principal Executive must participate in the direct operation of the Business and must devote substantial time and attention to the Business. If the Principal Executive dies, becomes incapacitated, transfers his/her interest in Franchisee, or otherwise ceases to be the executive primarily responsible for the Business, Franchisee shall promptly designate a new Principal Executive, subject to Franchisor's reasonable approval.

**2.5 Guaranty.** If Franchisee is an entity, then Franchisee shall have each Owner sign a personal guaranty of Franchisee's obligations to Franchisor, in the form of Attachment 2.

**2.6 No Conflict.** Franchisee represents to Franchisor that Franchisee and each of its Owners (i) are not violating any agreement (including any confidentiality or non-competition covenant) by entering into or performing under this Agreement, (ii) are not a direct or indirect owner of any Competitor, and (iii) are not listed or "blocked" in connection with, and are not in violation under, any anti-terrorism law, regulation, or executive order.

### ARTICLE 3. TERM

**3.1 Term.** This Agreement commences on the Effective Date of this Agreement and continues for ten (10) years thereafter.

**3.2 Successor Agreement.** When the term of this Agreement expires, Franchisee may enter into a successor agreement for up to one (1) additional period of ten (10) years, subject to the following conditions prior to each expiration:

- (i) Franchisee notifies Franchisor of the election to renew between 90 and 180 days prior to the end of the term;
- (ii) Franchisee (and its affiliates) are in compliance with this Agreement and all other agreements with Franchisor (or any of its affiliates) at the time of election and at the time of renewal;
- (iii) Franchisee has made or agrees to make (within a period of time acceptable to Franchisor) changes to the Business as Franchisor requires to conform to the then-current System Standards;
- (iv) Franchisee executes Franchisor's then-current standard form of franchise agreement, which may be materially different than this form (including, without limitation, higher and/or different fees), except that Franchisee will not pay another initial franchise fee and will not receive more renewal or successor terms than described in this Section;
- (v) Franchisee shall pay Franchisor a renewal fee equal to the greater of ten thousand dollars (\$10,000) or twenty-five percent (25%) of our then-current per territory initial franchise fee; and
- (v) Franchisee and each Owner executes a general release (on Franchisor's then-standard form) of any and all claims against Franchisor, its affiliates, and their respective owners, officers, directors, agents and employees.

### ARTICLE 4. FEES

**4.1 Initial Franchise Fee.** Upon signing this Agreement, Franchisee shall pay an initial franchise fee in the amount stated on the Summary Page, which is based on the number of registered aircraft in Franchisee's Territory. This initial franchise fee is not refundable, except as provided in Section 6.4.

**4.2 Royalty Fee.** Throughout the term of this Franchise Agreement, Franchisee shall pay Franchisor a monthly royalty fee (the "Royalty Fee") equal to seven percent (7.5%) of Franchisee's Gross Sales for the Business from the immediately preceding month. The Royalty Fee for any given month is due on the 5<sup>th</sup> day of each month.

**4.3 Brand Fund Contribution.** Franchisor has established a Brand Fund to be administered by us. Our affiliate, CR Luminosity, LLC d/b/a Conric PR & Marketing, will provide services to the Brand Fund. Franchisee shall pay a monthly contribution to the Brand Fund (the “Brand Fund Contribution”) of one and one half percent (1.5%) of Franchisee’s Gross Sales for the Business from the immediately preceding month (or such lesser amount as Franchisor determines), at the same time as the Royalty Fee. Franchisor reserves the right to increase the Brand Fund Contribution to up to three percent (3%) of Franchisee’s Gross Sales for the Business from the immediately preceding month upon Franchisor’s thirty (30) day notice to Franchisee.

**4.4 Replacement/Additional Training Fee.** If Franchisee sends an employee to Franchisor’s training program after opening, Franchisor may charge its then-current training fee. As of the date of this Agreement, the training fee is \$500 per day per person.

**4.5 Third Party Vendors.** If Franchisor requires Franchisee to use a designated third-party vendor, Franchisor has the right (but not the obligation) to collect payment on behalf of the vendor and remit the payment to the vendor. If Franchisor does so, it may impose a reasonable markup or charge for administering the payment program. Franchisor shall have the right, in its sole discretion, to approve or deny of any third-party vendors and to immediately require Franchisee to cease use of any kind of any third-party vendor or supplier.

**4.6 Non-Compliance Fee.** Franchisor may charge Franchisee \$500 for any instance of non-compliance with the System Standards or this Agreement (other than Franchisee’s non-payment of a fee owed to Franchisor) which Franchisee fails to cure after 30 days’ notice. Thereafter, Franchisor may charge Franchisee \$250 per week until Franchisee ceases such non-compliance. This fee is a reasonable estimate of Franchisor’s internal cost of personnel time attributable to addressing the non-compliance, and it is not a penalty or estimate of all damages arising from Franchisee’s breach. The non-compliance fee is in addition to all of Franchisor’s other rights and remedies.

**4.7 Reimbursement.** Franchisor may (but is never obligated to) pay on Franchisee’s behalf any amount that Franchisee owes to a supplier or other third party. If Franchisor does so or intends to do so, Franchisee shall pay such amount plus a ten percent (10%) administrative charge to Franchisor within fifteen (15) days after invoice by Franchisor accompanied by reasonable documentation.

#### **4.8 Payment Terms.**

(a) Method of Payment. Franchisee shall pay the Royalty Fee, Brand Fund Contribution, and any other amounts owed to Franchisor by pre-authorized bank draft or in such other manner as Franchisor may require.

(b) Calculation of Fees. Franchisee shall report monthly Gross Sales to Franchisor by the 5<sup>th</sup> day of the following month. If Franchisee fails to report monthly Gross Sales, then Franchisor may withdraw estimated Royalty Fees and Brand Fund Contributions equal to 125% of the last Gross Sales reported to Franchisor, and the parties will true-up the actual fees after Franchisee reports Gross Sales. Franchisee acknowledges that Franchisor has the right to remotely access Franchisee’s point-of-sale system to calculate Gross Sales.

(c) Late Fees and Interest. If Franchisee does not make a payment on time, Franchisee shall pay a \$50 per day “late fee” plus interest on the unpaid amount at a rate equal to 18% per year (or, if such payment exceeds the maximum allowed by law, then interest at the highest rate allowed by law).

(d) Insufficient Funds. Franchisor may charge thirty dollars (\$30) for any payment returned for insufficient funds (or, if such amount exceeds the maximum allowed by law, then the maximum fee allowed by law).

(e) Costs of Collection. Franchisee shall repay any costs, including but not limited to reasonable attorney fees, court costs, and other related expenses incurred by Franchisor in attempting to collect payments owed by Franchisee.

(f) Application. Franchisor may apply any payment received from Franchisee to any obligation and in any order as Franchisor may determine, regardless of any designation by Franchisee.

(g) Obligations Independent; No Set-Off. The obligations of Franchisee to pay to Franchisor any fees or amounts described in this Agreement are not dependent on Franchisor’s performance and are independent covenants by Franchisee. Franchisee shall make all such payments without offset or deduction.

## ARTICLE 5. ASSISTANCE

**5.1 Manual.** Franchisor shall make its Manual available to Franchisee.

**5.2 Assistance in Hiring Employees.** Franchisor shall provide its suggested staffing levels to Franchisee. Franchisor shall provide suggested guidelines for hiring employees. All hiring decisions and conditions of employment are Franchisee’s sole responsibility.

**5.3 Assistance in Training Employees.** Franchisor shall, to the extent it deems appropriate, provide programs for Franchisee to conduct training of new employees.

**5.4 Pre-Opening Assistance.**

(a) Pre-Opening Specifications and Vendors. To the extent not included in the Manual, Franchisor shall provide Franchisee with (i) applicable System Standards and other specifications as Franchisor deems appropriate (which may include specifications regarding inventory, supplies, materials, and other matters), and (ii) Franchisor’s lists of Approved Vendors and/or Required Vendors.

(b) Pre-Opening Training. Franchisor shall make available its standard pre-opening training to the Principal Executive and up to 2 other employees, at Franchisor’s headquarters and/or at a RealClean business designated by Franchisor. Franchisor shall not charge any fee for this training. Franchisee is responsible for its own travel, lodging, meal, and other out-of-pocket expenses.

(c) Market Introduction Plan. We will advise you regarding the planning and execution of your market introduction plan.

## **5.5 Post-Opening Assistance.**

(a) Advice, Consulting, and Support. If Franchisee requests, Franchisor will provide advice to Franchisee (by telephone or electronic communication) regarding improving and developing Franchisee's business, and resolving operating problems Franchisee encounters, to the extent Franchisor deems reasonable. This may include support relating to inventory controls and management. If Franchisor provides in-person support in response to Franchisee's request, Franchisor may charge its then-current fee plus any out-of-pocket expenses (such as travel, lodging, and meals for employees providing onsite support). As of the Effective Date of this Agreement, Franchisor's current fee for in-person support is five hundred dollars (\$500.00) per day.

(b) Pricing. Franchisor shall establish minimum and maximum pricing for the Franchised Business, subject to applicable law.

(c) Procedures. Franchisor will provide Franchisee with Franchisor's recommended administrative, bookkeeping, accounting, and inventory control procedures. Franchisor may make any such procedures part of required (and not merely recommended) System Standards.

(d) Marketing. Franchisor's affiliate, CR Luminosity, LLC d/b/a Conric PR & Marketing, shall manage the Brand Fund.

(e) Internet. Franchisor shall maintain a website for RealClean, which will include Franchisee's location (or Territory) and telephone number.

## **ARTICLE 6. LOCATION, DEVELOPMENT, AND OPENING**

**6.1 Location.** Franchisee is solely responsible for selecting the Location. If the Location is not stated on the Summary Page, then Franchisee shall find a suitable Location that meets Franchisor's System Standards within the Territory.

**6.2 Lease.** In connection with any lease between Franchisee and the landlord of the Location: (i) if requested by Franchisor, Franchisee must submit the proposed lease to Franchisor for written approval, and (ii) the term of the lease (including renewal terms) must be for a period of not less than the term of this Agreement.

**6.3 Development.** If the Location will be open to the public or used for meeting customers or potential customers, then Franchisee shall construct (or remodel) and finish the Location in conformity with Franchisor's System Standards.

**6.4 New Franchisee Training.** Franchisee's Principal Executive must complete Franchisor's training program for new franchisees. If the Principal Executive (i) fails to complete the initial training program to Franchisor's satisfaction, or (ii) Franchisor concludes, no more than 10 days after the Principal Executive completes the initial training program, that the Principal Executive does not have the ability to satisfactorily operate the Business, then Franchisor may terminate this

Agreement. In such event, Franchisor shall refund the initial franchise fee to Franchisee (less any franchise broker fees and other out-of-pocket costs incurred by Franchisor related to Franchisee), subject to Franchisee's prior execution of a general release of liability of Franchisor and its affiliates, in a form prescribed by Franchisor. Franchisee must attend training within sixty (60) days of executing this Franchise Agreement.

**6.5 Conditions To Opening.** Franchisee shall notify Franchisor at least thirty (30) days before Franchisee intends to open the Business. Before opening, Franchisee must satisfy all of the following conditions: (1) Franchisee is in compliance with this Agreement, (2) Franchisee has obtained all applicable governmental permits and authorizations, (3) the Business conforms to all applicable System Standards, (4) Franchisee has hired sufficient employees, (5) Franchisee's officers and employees have completed all of Franchisor's required pre-opening training; and (6) Franchisor has given its written approval to open, which will not be unreasonably withheld.

**6.6 Opening Date.** Franchisee shall open the Business within four (4) months of signing this Franchise Agreement.

## ARTICLE 7. OPERATIONS

**7.1 Compliance with Manual and System Standards.** Franchisee shall at all times and at its own expense comply with all mandatory obligations contained in the Manual and with all other System Standards.

**7.2 Compliance with Law.** Franchisee and the Business shall comply with all laws and regulations. Franchisee and the Business shall obtain and keep in force all governmental permits and licenses necessary for the Business.

**7.3 Products and Services.** Franchisee shall offer all products and services, and only those products and services, from time to time prescribed by Franchisor in the Manual or otherwise in writing. Franchisee shall implement any guaranties, warranties, or similar commitments regarding products and/or services that Franchisor may require.

(a) If Franchisee desires to use a product or supplier that is not on Franchisor's list of approved products or suppliers, Franchisee must request Franchisor's approval in writing. Franchisor will grant or revoke approvals of products or suppliers based on criteria appropriate to the situation, which may include evaluations of the supplier's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. Franchisor's criteria for approving products and suppliers are not available to Franchisee. Franchisor permits Franchisee to contract with alternative suppliers who meet Franchisor's criteria only if Franchisee requests Franchisor's approval in writing, and Franchisor grants approval. Franchisee will pay Franchisor a fee equal to the out-of-pocket costs incurred for Franchisor to review or approve an alternate product or supplier. Franchisor will provide Franchisee with written notification of the approval or disapproval of any product or supplier Franchisee proposes within 30 days after receipt of Franchisee's request. Franchisor may grant approvals of new products or suppliers or revoke past approvals of suppliers on written notice to Franchisee, or by updating the Manual.

(b) Franchisee must provide to Franchisee's customers the Customer Warranty found in the Operations Manual or other Manuals, which may be (a) modified from time to time, and/or

(b) include a specific durational warranty on certain proprietary products and their application/installation.

**7.4 Prices.** Franchisee acknowledges that the System Standards determined by Franchisor may include the minimum, maximum, and/or exact prices that franchisees may charge for products or services sold (except to the extent such authority is limited or prohibited by applicable law).

**7.5 Personnel.**

(a) Service. Franchisee shall cause its personnel to render competent and courteous service to all customers and members of the public.

(b) Appearance. Franchisee shall cause its personnel to comply with any dress attire, uniform, personal appearance and hygiene standards set forth in the Manual.

(c) Qualifications. Franchisor may set minimum qualifications for categories of employees employed by Franchisee.

(d) Sole Responsibility. Franchisee is solely responsible for the terms and conditions of employment of all of its personnel, including recruiting, hiring, training, scheduling, supervising, compensation, and termination. Franchisee is solely responsible for all actions of its personnel. Franchisee and Franchisor are not joint employers, and no employee of Franchisee will be an agent or employee of Franchisor.

**7.6 Post-Opening Training.** Franchisor may at any time require that the Principal Executive and/or any other employees complete training programs, in any format and in any location determined by Franchisor. Franchisor may charge a reasonable fee for any training programs. Franchisor may require Franchisee to provide training programs to its employees. If a training program is held at a location which requires travel by the Principal Executive or any other employee, then Franchisee shall pay all travel, living and other expenses.

**7.7 Software.** Without limiting the generality of Section 7.1 or Section 8.1, Franchisee shall acquire and use all software and related systems required by Franchisor. Franchisee shall enter into any subscription and support agreements that Franchisor may require. Franchisee shall upgrade, update, or replace any software from time to time as Franchisor may require. Franchisee shall protect the confidentiality and security of all software systems and shall abide by any System Standards related thereto. Franchisee shall give Franchisor unlimited access to Franchisee's point of sale system and other software systems used in the Business, by any means designated by Franchisor. Franchisor shall own all data hosted on such software and related systems as related to the Business.

**7.8 Customer Complaints.** Franchisee shall use its best efforts to promptly resolve any customer complaints. Franchisor may take any action it deems appropriate to resolve a customer complaint regarding the Business, and Franchisor may require Franchisee to reimburse Franchisor for any expenses.

**7.9 Customer Evaluation and System Compliance Programs.** Franchisee shall participate at its own expense in programs required from time to time by Franchisor for obtaining customer

evaluations and/or reviewing Franchisee's compliance with the System, which may include (but are not limited to) a customer feedback system, customer survey programs, and mystery shopping. Franchisor shall share with Franchisee the results of these programs, as they pertain to the Business. Franchisee must meet or exceed any minimum score requirements set by Franchisor for such programs.

**7.10 Payment Systems.** Franchisee shall accept payment from customers in any form or manner designated by Franchisor (which may include, for example, cash, specific credit and/or debit cards, gift cards, electronic fund transfer systems, and mobile payment systems). Franchisee shall purchase or lease all equipment and enter into all business relationships necessary to accept payments as required by Franchisor. Franchisee must at all times comply with payment card industry data security standards (PCI-DSS). Franchisee must issue all invoices, process all sales payments, and issue all receipts through our point-of-sale system. Franchisee shall not collect cash from or otherwise accept any payments from customers in any other method, unless Franchisor approves of such other method in writing.

**7.11 Gift Cards, Loyalty Programs, and Incentive Programs.** At its own expense, Franchisee shall sell or otherwise issue gift cards, certificates, or other pre-paid systems, and participate in any customer loyalty programs or customer incentive programs, designated by Franchisor, in the manner specified by Franchisor in the Manual or otherwise in writing. Franchisee shall honor all valid gift cards and other pre-paid systems, regardless of whether issued by Franchisee or another RealClean business. Franchisee shall comply with all procedures and specifications of Franchisor related to gift cards, certificates, and other pre-paid systems, or related to customer loyalty or customer incentive programs. Franchisee may only offer gift cards, certificates, pre-paid systems, and customer incentive programs with Franchisor's prior written approval.

**7.12 Maintenance and Repair.** If the Location will be open to the public or used for meeting customers or potential customers, then Franchisee shall at all times keep the Business in a neat and clean condition, perform all appropriate maintenance, and keep all physical property in good repair. In addition, Franchisee shall promptly perform all work on the physical property of the Business as Franchisor may prescribe from time to time.

**7.13 Vehicles.** Franchisee shall ensure that all vehicles required for the operation of the Business comply with all applicable System Standards, including, without limitation, required equipment and exterior décor. Franchisee shall keep all vehicles in good repair, clean, and free of dents and other damage, and shall ensure that these vehicles present a first-class image appropriate to Franchisor's System. Franchisor shall have full discretion in determining whether any of Franchisee's vehicles are in good repair and may require Franchisee to upgrade such vehicles or to have maintenance or repair work done on them. Franchisor retains unlimited rights to require Franchisee to upgrade or service the vehicles as described herein. Franchisee shall use the vehicle(s) solely for the Business. Franchisor shall have the right, in its sole discretion, to require Franchisee to utilize vendors for service related to the vehicle(s) to maintain quality and service standards. Franchisee shall exclusively bear the costs of any upgrades, maintenance, or repair to the vehicle(s).

**7.14 Meetings.** The Principal Executive must attend all in-person meetings and remote meetings (such as telephone conference calls) that Franchisor requires. If Franchisor elects to hold an Annual

Convention for its franchisees, the Principal Executive must attend the Annual Convention. Franchisee shall pay Franchisor or franchisor's designee no more than \$1,000.00 for the Annual Convention, and Franchisee shall additionally be responsible for all travel and lodging costs associated with attending the Annual Convention. The fees referenced in this Section may be increased to account for inflation based on the consumer price index. Franchisee must pay these fees regardless of whether or not a Principal Executive is able to attend the Annual Convention.

#### **7.15 Insurance.**

(a) You must obtain insurance as described in herein and in our Manual, which includes (i) "Special" causes of loss coverage forms, including fire and extended coverage, crime, vandalism, and malicious mischief, on all property of the Business, for full repair and replacement value (subject to a reasonable deductible); (ii) Business interruption insurance covering at least 12 months of income, if applicable. This type of coverage is not typically offered on a standalone basis and is usually an ancillary coverage added to a building policy. Because RealClean franchisees operate in the contractor or service industry, this coverage may not be applicable or available in all cases. Instead, franchisees may be required to obtain similar protections through Cyber and Inland Marine insurance policies.; (iii) Commercial General Liability insurance, including products liability coverage, and broad form commercial liability coverage, written on an "occurrence" policy form in an amount of not less than \$3,000,000 single limit per occurrence and \$3,000,000 aggregate limit, (iv) Business Automobile Liability insurance including owned, leased, non-owned, and hired automobiles coverage in an amount of not less than \$1,000,000. In addition, franchisees must maintain Comprehensive and Collision coverage on all work vehicles, with a maximum deductible of \$2,500, to protect against physical damage to vehicles owned or leased by the franchisee and (v) Workers Compensation coverage as required by state law. (vi) Cyber Liability Insurance. Franchisees must obtain Cyber Insurance with a minimum limit of \$500,000 (estimated annual cost: \$500–\$1,000). This coverage is essential to protect against financial losses and liabilities stemming from cyberattacks, ransomware, data breaches, social engineering, and other digital threats. Coverage should include breach costs, legal fees, business interruption, and data recovery expenses. (vii) Inland Marine Insurance. Franchisees must obtain an Inland Marine policy covering all tools and equipment used in the operation of the RealClean business, up to the value of equipment provided by Franchisor under the initial agreement. This policy should cover the repair and/or replacement of equipment and potential business interruption due to a covered peril. This coverage is already reflected in the insurance estimates included in the FDD.

(b) Your policies (other than Workers Compensation) must list us and our affiliates as an additional insured, must include a waiver of subrogation in favor of us and our affiliates, must be primary and non-contributing with any insurance carried by us or our affiliates, and must stipulate that we receive 30 days' prior written notice of cancellation.

**7.16 Suppliers and Landlord.** Franchisee shall pay all vendors and suppliers in a timely manner. If Franchisee leases the Location, Franchisee shall comply with its lease for the Location.

**7.17 Public Relations.** Franchisee shall not make any public statements (including giving interviews or issuing press releases) regarding RealClean, the Business, or any particular incident or occurrence related to the Business, without Franchisor's prior written approval.

**7.18 Association with Causes.** Franchisee shall not in the name of the Business (i) donate money, products, or services to any charitable, political, religious, or other organization, or (ii) act in support of any such organization, without Franchisor’s prior written approval.

**7.19 No Other Businesses.** If Franchisee is an entity, Franchisee shall not own or operate any other business except RealClean businesses.

**7.20 No Third-Party Management.** Franchisee shall not engage a third-party management company to manage or operate the Business without the prior written approval of Franchisor, which will not be unreasonably withheld.

**7.21 No Co-Branding.** Franchisee shall not “co-brand” or associate any other business activity with the RealClean Business in a manner which is likely to cause the public to perceive it to be related to the RealClean Business.

**7.22 No Subcontracting.** Franchisee shall not subcontract or delegate to a third party any services to be performed by Franchisee for a customer (other than engaging individuals as independent contractors in the ordinary course of business).

**7.23 Identification.** Franchisee must identify itself as the independent owner of the Business in the manner prescribed by Franchisor.

**7.24 Business Practices.** Franchisee, in all interactions with customers, employees, vendors, governmental authorities, and other third parties, shall be honest and fair. Franchisee shall comply with any code of ethics or statement of values from Franchisor. Franchisee shall not take any action which may injure the goodwill associated with the Marks.

**7.25 Repossession.** Franchisee shall not sell, sublease, scrap, donate, barter, or otherwise dispose of any franchise equipment without express consent from Franchisor. Franchisor shall have the first right to repossess or otherwise acquire any equipment used in the operation of Franchisee’s RealClean business, including but not limited to parts, inventory, tools, and communication devices. Franchisor will compensate Franchisee and/or any lien holders for the repossession by Franchisor of the equipment described herein. Compensation may be Franchisee owes to Franchisor. Franchisor shall have full discretion and rights as it applies to repossessing any of Franchisee’s equipment. Franchisor’s rights described herein do not release Franchisee from any liens, leases, or financing agreements. Franchisor shall have no obligation to co-sign for any of Franchisee’s equipment, and Franchisor will not assume any liabilities whatsoever resulting from Franchisee’s failure to make payment on any equipment, including equipment that may have been repossessed or otherwise acquired by Franchisor.

**7.26 Aircraft Rx.** Franchisor may, through itself or through an affiliate, sell Aircraft Rx service packages to customers located within (or customers having aircraft located within) Franchisee’s Territory (“Aircraft Rx Services”). The Aircraft Rx Services are specialty services that Franchisee may or may not be capable of performing subject to (i) completing Franchisor’s required Aircraft Rx Services training and (ii) purchasing equipment and supplies required to provide the Aircraft Rx Services (the “Aircraft Rx Requirements”). If Franchisee has met the Aircraft Rx Requirements, Franchisee must provide Aircraft Rx Services to these customers within the Territory unless Franchisor approves otherwise in writing. If Franchisee does not meet the Aircraft

Rx Requirements, then Franchisor or its affiliate(s) may provide such Aircraft Rx Services within Franchisee's Territory or authorize another RealClean franchisee to provide such services within the Territory. Franchisor may, in its sole discretion, set the amounts that Aircraft Rx Services are sold to customers for and the amounts that Franchisee receives from providing Aircraft Rx Services. Franchisor may, in its sole discretion, collect payments from Aircraft Rx customers and remit amounts to Franchisee.

**7.27 Warranties.** Franchisee must issue the warranties to customers for all products and services sold or delivered by the Franchised Business that Franchisor prescribes in the Manuals or otherwise in writing (the "Warranty"). Franchisee must comply with the policies relating to Warranties that Franchisor designates from time to time. Franchisee must refrain from issuing or offering any Warranty of which Franchisor has not approved. Franchisor may require Franchisee to issue to customers and perform under an extended (either in duration or scope) Warranty (the "Extended Warranty"). Franchisee must comply with the policies and procedures relating to the Extended Warranty that Franchisor may specify in the Manuals or otherwise in writing. Franchisor may require that Franchisee deliver products or services in connection with Franchisee's performance under an Extended Warranty ("Extended Warranty Work") on the terms and conditions that Franchisor prescribes, including pricing. Franchisee's remuneration for Extended Warranty Work may be limited to an allocation of the revenue from customers' Extended Warranty purchases that Franchisor designates. Franchisee must not charge customers for Extended Warranty Work without Franchisor's prior written consent. Franchisor may require that Franchisee offer the Extended Warranty to customers only in connection with the Aircraft Rx Services. Franchisee must promptly, fully, and courteously perform under all Warranties, including all Extended Warranty Work, to Franchisor's reasonable satisfaction. Franchisor has the right, but not the obligation, to respond to and settle or otherwise resolve any warranty claims, to manage all disputes and to control all arbitration and litigation (including any settlement or other resolution) relating to Warranty claims as Franchisor deems appropriate. However, Franchisee must reimburse Franchisor for all fees, costs, and expenses that Franchisor incurs in connection with such warranty claims, disputes, arbitration, and litigation within thirty (30) days of Franchisee's receipt of Franchisor's invoice.

## **ARTICLE 8. SUPPLIERS AND VENDORS**

**8.1 Generally.** Franchisee shall acquire all Inputs required by Franchisor from time to time in accordance with System Standards. Franchisor may require Franchisee to purchase or lease any Inputs from Franchisor, Franchisor's designee, Required Vendors, Approved Vendors, and/or under Franchisor's specifications. Franchisor may change any such requirement or change the status of any vendor. To make such requirement or change effective, Franchisor shall issue the appropriate System Standards.

**8.2 Alternate Vendor Approval.** If Franchisor requires Franchisee to purchase a particular Input only from an Approved Vendor or Required Vendor, and Franchisee desires to purchase the Input from another vendor, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by Franchisor. Franchisor may condition its approval on such criteria as Franchisor deems appropriate, which may include evaluations of the vendor's capacity, quality, financial stability, reputation, and reliability; inspections; product testing, and performance reviews. Franchisor will provide Franchisee with written notification of

the approval or disapproval of any proposed new vendor within 30 days after receipt of Franchisee's request.

**8.3 Alternate Input Approval.** If Franchisor requires Franchisee to purchase a particular Input, and Franchisee desires to purchase an alternate to the Input, then Franchisee must submit a written request for approval and any information, specifications and/or samples requested by Franchisor. Franchisor will provide Franchisee with written notification of the approval or disapproval of any proposed alternate Input within 30 days after receipt of Franchisee's request.

**8.4 Purchasing.** Franchisor may implement a centralized purchasing system and negotiate prices and terms with vendors on behalf of the System. Franchisor may receive rebates or payments from vendors in connection with purchases by franchisees. Franchisor may establish a purchasing cooperative and require Franchisee to join and participate in the purchasing cooperative on such terms and conditions as Franchisor may determine.

**8.5 No Liability of Franchisor.** Franchisor shall not have any liability to Franchisee for any claim or loss related to any product provided or service performed by any Approved Vendor or Required Vendor, including without limitation defects, delays, or unavailability of products or services.

**8.6 Product Recalls.** If Franchisor or any vendor, supplier, or manufacturer of an item used or sold in Franchisee's Business issues a recall of such item or otherwise notifies Franchisee that such item is defective or dangerous, Franchisee shall immediately cease using or selling such item, and Franchisee shall at its own expense comply with all instructions from Franchisor or the vendor, supplier, or manufacturer of such item with respect to the recall, repair, or other remedy of such item.

## ARTICLE 9. MARKETING

**9.1 Implementation.** Franchisee shall not use any marketing materials or campaigns (including point-of-sale materials, advertising, social media marketing, and sponsorships) that have not been approved by Franchisor. Franchisee shall implement any marketing plans or campaigns determined by Franchisor.

**9.2 Use By Franchisor.** Franchisor may use any marketing materials or campaigns developed by or on behalf of Franchisee, and Franchisee hereby grants an unlimited, royalty-free license to Franchisor for such purpose.

**9.3 Brand Fund.** Franchisor has established a Brand Fund for the benefit of the franchise system. As such, the following shall apply:

(a) Separate Account. Franchisor shall hold the Brand Fund Contributions from all franchisees in one or more bank accounts separate from Franchisor's other accounts.

(b) Use. Franchisor shall use the Brand Fund only for marketing, advertising, and public relations materials, programs and campaigns, and related overhead. Media coverage may be local, regional, or national. The foregoing includes such activities and expenses as Franchisor reasonably determines, and may include, without limitation: development and placement of

advertising and promotions; sponsorships; contests and sweepstakes; development of décor, trade dress, Marks, and/or branding; development and maintenance of brand websites; social media; internet activities; e-commerce programs; search engine optimization; market research; public relations, media or agency costs; trade shows and other events; printing and mailing; and administrative and overhead expenses related to the Brand Fund (including the compensation of Franchisor's employees working on marketing and for accounting, bookkeeping, reporting, legal and other expenses related to the Brand Fund).

(c) Discretion. Franchisee agrees that expenditures from the Brand Fund need not be proportionate to contributions made by Franchisee or provide any direct or indirect benefit to Franchisee. The Brand Fund will be spent at Franchisor's sole discretion, and Franchisor has no fiduciary duty with regard to the Brand Fund.

(d) Surplus or Deficit. Franchisor may accumulate funds in the Brand Fund and carry the balance over to subsequent years. If the Brand Fund operates at a deficit or requires additional funds at any time, Franchisor may loan such funds to the National Brand Fund on reasonable terms.

(e) Financial Statement. Franchisor will prepare an unaudited annual financial statement of the Brand Fund within 120 days of the close of Franchisor's fiscal year and will provide the financial statement to Franchisee upon request.

**9.4 Market Cooperatives.** Franchisor may establish market advertising and promotional cooperative funds ("Market Cooperative") in any geographical areas. If a Market Cooperative for the geographic area encompassing the Territory has been established at the time Franchisee commences operations hereunder, Franchisee shall immediately become a member of such Market Cooperative. If a Market Cooperative for the geographic area encompassing the Territory is established during the term of this Agreement, Franchisee shall become a member of such Market Cooperative within 30 days. Franchisor shall not require Franchisee to be a member of more than one Market Cooperative. If Franchisor establishes a Market Cooperative:

(a) Governance. Each Market Cooperative will be organized and governed in a form and manner, and shall commence operations on a date, determined by Franchisor. Franchisor may require the Market Cooperative to adopt bylaws or regulations prepared by Franchisor. Unless otherwise specified by Franchisor, the activities carried on by each Market Cooperative shall be decided by a majority vote of its members. Franchisor will be entitled to attend and participate in any meeting of a Market Cooperative. Any RealClean business owned by Franchisor in the Market Cooperative shall have the same voting rights as those owned by its franchisees. Each Business owner will be entitled to cast one vote for each Business owned, provided, however, that a franchisee shall not be entitled to vote if it is in default under its franchise agreement. If the members of a Market Cooperative are unable or fail to determine the manner in which Market Cooperative monies will be spent, Franchisor may assume this decision-making authority after 10 days' notice to the members of the Market Cooperative.

(b) Purpose. Each Market Cooperative shall be devoted exclusively to administering regional advertising and marketing programs and developing (subject to Franchisor's approval) standardized promotional materials for use by the members in local advertising and promotion.

(c) Approval. No advertising or promotional plans or materials may be used by a Market Cooperative or furnished to its members without the prior approval of Franchisor pursuant to Section 9.1. Franchisor may designate the national or regional advertising agencies used by the Market Cooperative.

(d) Funding. The majority vote of the Market Cooperative will determine the dues to be paid by members of the Market Cooperative, including Franchisee, but not less than 1.5% of Gross Sales.

(e) Enforcement. Only Franchisor will have the right to enforce the obligations of franchisees who are members of a Market Cooperative to contribute to the Market Cooperative.

(f) Termination. Franchisor may terminate any Market Cooperative. Any funds left in a Market Cooperative upon termination will be transferred to the Brand Fund.

(g) Fees. Once a cooperative is formed, the Marketing Cooperative Contribution shall not be more than 1.5% of Gross Sales.

**9.5 Market Introduction Plan.** Franchisee must develop a market introduction plan and obtain Franchisor’s approval of the market introduction plan at least 30 days before the projected opening date of the Business.

**9.6 Internet Marketing.** Franchisor has the exclusive right to conduct and manage all marketing and commerce on the internet or other electronic medium, including all websites and “social media” marketing. Franchisee shall not conduct such marketing or commerce, nor establish any website or social media presence independently, except as Franchisor may specify, and only with Franchisor’s consent. Franchisor retains the right to approve any linking to or other use of Franchisor’s website. Franchisee must comply with any internet, online commerce and/or social media policy that Franchisor may prescribe.

## ARTICLE 10. RECORDS AND REPORTS

**10.1 Systems.** Franchisee shall use such customer data management, sales data management, administrative, bookkeeping, accounting, and inventory control procedures and systems as Franchisor may specify in the Manual or otherwise in writing.

### 10.2 Reports.

(a) Financial Reports. Franchisee shall provide such periodic financial reports as Franchisor may require in the Manual or otherwise in writing, including without limitation:

- (i) a monthly profit and loss statement and balance sheet for the Business within five (5) days after the end of each month;
- (ii) an annual financial statement (including profit and loss statement, cash flow statement, and balance sheet) for the Business within forty-five (45) days after the end of Franchisor’s fiscal year; and

(iii) any information Franchisor requests in order to prepare a financial performance representation for Franchisor's franchise disclosure document.

(b) Legal Actions and Investigations. Franchisee shall promptly notify Franchisor of any Action or threatened Action by any customer, governmental authority, or other third party against Franchisee or the Business, or otherwise involving the Franchisee or the Business. Franchisee shall promptly provide such documents and information related to any such Action as Franchisor may request.

(c) Government Inspections. Franchisee shall give Franchisor copies of all inspection reports, warnings, certificates, and ratings issued by any governmental entity with respect to the Business, within three days of Franchisee's receipt thereof.

(d) Other Information. Franchisee shall submit to Franchisor such other financial statements, reports, records, copies of contracts, documents related to litigation, tax returns, copies of governmental permits, and other documents and information related to the Business as specified in the Manual or that Franchisor may reasonably request.

**10.3 Initial Investment Report.** Within 120 days after opening for business, Franchisee shall submit to Franchisor a report detailing Franchisee's investment costs to develop and open the Business, with costs allocated to the categories described in Item 7 of Franchisor's Franchise Disclosure Document and with such other information as Franchisor may request.

**10.4 Business Records.** Franchisee shall keep complete and accurate books and records reflecting all expenditures and receipts of the Business, with supporting documents (including, but not limited to, payroll records, payroll tax returns, register receipts, production reports, sales invoices, bank statements, deposit receipts, cancelled checks and paid invoices) for at least three years. Franchisee shall keep such other business records as Franchisor may specify in the Manual or otherwise in writing.

**10.5 Records Audit.** Franchisor may examine and audit all books and records related to the Business, and supporting documentation, at any reasonable time. Franchisor may conduct the audit at the Location and/or require Franchisee to deliver copies of books, records and supporting documentation to a location designated by Franchisor. Franchisee shall also reimburse Franchisor for all costs and expenses of the examination or audit if (i) Franchisor conducted the audit because Franchisee failed to submit required reports or was otherwise not in compliance with the System, or (ii) the audit reveals that Franchisee understated Gross Sales by 3% or more for any month.

## ARTICLE 11. FRANCHISOR RIGHTS

**11.1 Manual; Modification.** The Manual, and any part of the Manual, may be in any form or media determined by Franchisor. Franchisor may supplement, revise, or modify the Manual, and Franchisor may change, add or delete System Standards at any time in its discretion. Franchisor may inform Franchisee thereof by any method that Franchisor deems appropriate (which need not qualify as "notice" under Section 18.9). In the event of any dispute as to the contents of the Manual, Franchisor's master copy will control.

**11.2 Business Evaluation.** Franchisor may accompany Franchisee or its personnel on any services performed for a customer to conduct an evaluation. If the Location will be open to the public or used for meeting customers or potential customers, Franchisor may enter the premises of the Business from time to time during normal business hours and conduct an evaluation. Franchisee shall cooperate with Franchisor's evaluators. The evaluation may include, but is not limited to, observing operations, conducting a physical inventory, evaluating physical conditions, monitoring sales activity, speaking with employees and customers, and removing samples of products, supplies and materials. Franchisor may videotape and/or take photographs of the evaluation. Without limiting Franchisor's other rights under this Agreement, Franchisee will, as soon as reasonably practical, correct any deficiencies noted during an evaluation. If Franchisor conducts an evaluation because of a governmental report, customer complaint or other customer feedback, or a default or non-compliance with any System Standard by Franchisee (including following up a previous failed evaluation), then Franchisor may charge all out-of-pocket expenses plus its then-current evaluation fee to Franchisee.

**11.3 Franchisor's Right to Cure.** If Franchisee breaches or defaults under any provision of this Agreement, Franchisor may (but has no obligation to) take any action to cure the default on behalf of Franchisee, without any liability to Franchisee. Franchisee shall reimburse Franchisor for its costs and expenses (including the allocation of any internal costs) for such action, plus 10% as an administrative fee.

**11.4 Right to Discontinue Supplies Upon Default.** While Franchisee is in default or breach of this Agreement, Franchisor may (i) require that Franchisee pay cash on delivery for products or services supplied by Franchisor, (ii) stop selling or providing any products and services to Franchisee, and/or (iii) request any third-party vendors to not sell or provide products or services to Franchisee. No such action by Franchisor shall be a breach or constructive termination of this Agreement, change in competitive circumstances or similarly characterized, and Franchisee shall not be relieved of any obligations under this Agreement because of any such action. Such rights of Franchisor are in addition to any other right or remedy available to Franchisor.

**11.5 Business Data.** All customer data and other non-public data generated by the Business is Confidential Information and is exclusively owned by Franchisor. Franchisor hereby licenses such data back to Franchisee without charge solely for Franchisee's use in connection with the Business for the term of this Agreement.

**11.6 Innovations.** Franchisee shall promptly disclose to Franchisor all ideas, plans, improvements, concepts, methods and techniques relating to the Business (collectively, "Innovations") conceived or developed by Franchisee, its employees, agents or contractors. Franchisor will automatically own all Innovations and it will have the right to use and incorporate any Innovations into the System, without any compensation to Franchisee.

**11.7 Communication Systems.** If Franchisor provides email accounts and/or other communication systems to Franchisee, then Franchisee acknowledges that it has no expectation of privacy in the assigned email accounts and other communications systems, and Franchisee authorizes Franchisor to access such communications.

**11.8 Delegation.** Franchisor may delegate any duty or obligation of Franchisor under this Agreement to an affiliate or to a third party.

**11.9 System Variations.** Franchisor may vary or waive any System Standard for any one or more RealClean franchises due to the peculiarities of the particular site or circumstances, density of population, business potential, population of trade area, existing business practices, applicable laws or regulations, or any other condition relevant to the performance of a franchise or group of franchises. Franchisee is not entitled to the same variation or waiver.

**11.10 Temporary Public Safety Closure.** If Franchisor discovers or becomes aware of any aspect of the Business which, in Franchisor's opinion, constitutes an imminent danger to the health or safety of any person, then immediately upon Franchisor's order, Franchisee must temporarily cease operations of the Business and remedy the dangerous condition. Franchisor shall have no liability to Franchisee or any other person for action or failure to act with respect to a dangerous condition.

## ARTICLE 12. MARKS

**12.1 Authorized Marks.** Franchisee shall use no trademarks, service marks or logos in connection with the Business other than the Marks. Franchisee shall use all Marks specified by Franchisor, and only in the manner as Franchisor may require. Franchisee has no rights in the Marks other than the right to use them in the operation of the Business in compliance with this Agreement. All use of the Marks by Franchisee and any goodwill associated with the Marks, including any goodwill arising due to Franchisee's operation of the Business, will inure to the exclusive benefit of Franchisor.

**12.2 Change of Marks.** Franchisor may add, modify, or discontinue any Marks to be used under the System. Within a reasonable time after Franchisor makes any such change, Franchisee must comply with the change, at Franchisee's expense.

### **12.3 Infringement.**

(a) Defense of Franchisee. If Franchisee has used the Marks in accordance with this Agreement, then (i) Franchisor shall defend Franchisee (at Franchisor's expense) against any Action by a third party alleging infringement by Franchisee's use of a Mark, and (ii) Franchisor will indemnify Franchisee for expenses and damages if the Action is resolved unfavorably to Franchisee.

(b) Infringement by Third Party. Franchisee shall promptly notify Franchisor if Franchisee becomes aware of any possible infringement of a Mark by a third party. Franchisor may, in its sole discretion, commence or join any claim against the infringing party.

(c) Control. Franchisor shall have the exclusive right to control any prosecution or defense of any Action related to possible infringement of or by the Marks.

## ARTICLE 13. COVENANTS

**13.1 Confidential Information.** With respect to all Confidential Information, Franchisee shall (a) adhere to all procedures prescribed by Franchisor for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the Business; (c) not use any such information in any other business or in any manner not specifically authorized in writing by Franchisor, (d) exercise the highest degree of diligence and effort to maintain the confidentiality of all such information during and after the term of this Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information. Franchisee acknowledges that all Confidential Information is owned by Franchisor (except for Confidential Information which Franchisor licenses from another person or entity). This Section will survive the termination or expiration of this Agreement indefinitely.

### 13.2 Covenants Not to Compete.

(a) Restriction – In Term. During the term of this Agreement, neither Franchisee, any Owner, nor any spouse of an Owner (the “Restricted Parties”) shall directly or indirectly have any ownership interest in, or be engaged or employed by, any Competitor.

(b) Restriction – Post Term. For two years after this Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer), no Restricted Party shall directly or indirectly have any ownership interest in, or be engaged or employed by, any Competitor operating in any of Franchisee’s Territory or within fifty (50) miles of the Territory of any other RealClean business operating on the date of termination or transfer, as applicable.

(c) Interpretation. The parties agree that each of the foregoing covenants is independent of any other covenant or provision of this Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any court, then the parties intend that the court modify such restriction to the extent reasonably necessary to protect the legitimate business interests of Franchisor. Franchisee agrees that the existence of any claim it may have against Franchisor shall not constitute a defense to the enforcement by Franchisor of the covenants of this Section. If a Restricted Party fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended an additional day for each day of noncompliance.

**13.3 General Manager and Key Employees.** If requested by Franchisor, Franchisee will cause its general manager and other key employees to sign Franchisor’s then-current form of confidentiality and non-compete agreement.

## ARTICLE 14. DEFAULT AND TERMINATION

**14.1 Termination by Franchisee.** Franchisee may terminate this Agreement only if Franchisor violates a material provision of this Agreement and fails to cure or to make substantial progress toward curing the violation within 30 days after receiving written notice from Franchisee detailing the alleged default. Termination by Franchisee is effective 10 days after Franchisor receives written notice of termination.

## 14.2 Termination by Franchisor.

(a) Subject to 10-Day Cure Period. Franchisor may terminate this Agreement if Franchisee does not make any payment to Franchisor when due, or if Franchisee does not have sufficient funds in its account when Franchisor attempts an electronic funds withdrawal, and Franchisee fails to cure such non-payment within 10 days after Franchisor gives notice to Franchisee of such breach.

(b) Subject to 30-Day Cure Period. If Franchisee breaches this Agreement in any manner not described in subsection (a) or (c) and fails to cure such breach to Franchisor's satisfaction within 30 days after Franchisor gives notice to Franchisee of such breach, then Franchisor may terminate this Agreement.

(c) Without Cure Period. Franchisor may terminate this Agreement by giving notice to Franchisee, without opportunity to cure, if any of the following occur:

- (i) Franchisee misrepresented or omitted material facts when applying to be a franchisee, or breaches any representation in this Agreement;
- (ii) Franchisee knowingly submits any false report or knowingly provides any other false information to Franchisor;
- (iii) a receiver or trustee for the Business or all or substantially all of Franchisee's property is appointed by any court, or Franchisee makes a general assignment for the benefit of Franchisee's creditors or Franchisee makes a written statement to the effect that Franchisee is unable to pay its debts as they become due, or a levy or execution is made against the Business, or an attachment or lien remains on the Business for 30 days unless the attachment or lien is being duly contested in good faith by Franchisee, or a petition in bankruptcy is filed by Franchisee, or such a petition is filed against or consented to by Franchisee and the petition is not dismissed within 45 days, or Franchisee is adjudicated as bankrupt;
- (iv) Franchisee fails to open for business by the date specified on the Summary Page;
- (v) Franchisee or any Owner commits a material violation of Section 7.2 (compliance with laws) or Section 13.1 (confidentiality), violates Section 13.2 (non-compete) or Article 15 (transfer), or commits any other violation of this Agreement which by its nature cannot be cured;
- (vi) Franchisee abandons or ceases operation of the Business for more than 15 consecutive days;
- (vii) Franchisee or any Owner slanders or libels Franchisor or any of its employees, directors, or officers;
- (viii) Franchisee refuses to cooperate with or permit any audit or evaluation by Franchisor or its agents or contractors, or otherwise fails to comply with Section 10.5 or Section 11.2.

- (ix) the Business is operated in a manner which, in Franchisor's reasonable judgment, constitutes a significant danger to the health or safety of any person, and Franchisee fails to cure such danger within 48 hours after becoming aware of the danger (due to notice from Franchisor or otherwise);
- (x) Franchisee has received two or more notices of default and Franchisee commits another breach of this Agreement, all in the same 12-month period;
- (xi) Franchisor (or any affiliate) terminates any other agreement with Franchisee (or any affiliate) due to the breach of such other agreement by Franchisee (or its affiliate); or
- (xii) Franchisee or any Owner is accused by any governmental authority or third party of any act that in Franchisor's opinion is reasonably likely to materially and unfavorably affect Franchisor's brand, or is charged with, pleads guilty to, or is convicted of a felony.

**14.3 Effect of Termination.** Upon termination or expiration of this Agreement, all obligations that by their terms or by reasonable implication survive termination, including those pertaining to non-competition, confidentiality, indemnity, and dispute resolution, will remain in effect, and Franchisee must immediately:

- (i) pay all amounts owed to Franchisor based on the operation of the Business through the effective date of termination or expiration;
- (ii) return to Franchisor all copies of the Manual, Confidential Information and any and all other materials provided by Franchisor to Franchisee or created by a third party for Franchisee relating to the operation of the Business, and all items containing any Marks, copyrights, and other proprietary items; and delete all Confidential Information and proprietary materials from electronic devices;
- (iii) notify the telephone, internet, email, electronic network, directory, and listing entities of the termination or expiration of Franchisee's right to use any numbers, addresses, domain names, locators, directories and listings associated with any of the Marks, and authorize their transfer to Franchisor or any new franchisee as may be directed by Franchisor, and Franchisee hereby irrevocably appoints Franchisor, with full power of substitution, as its true and lawful attorney-in-fact, which appointment is coupled with an interest; to execute such directions and authorizations as may be necessary or appropriate to accomplish the foregoing; and
- (iv) cease doing business under any of the Marks; and
- (v) return RealClean proprietary equipment to Franchisor and cease using any intellectual property associated with Franchisee.

**14.4 Remove Identification.** If Franchisee operates from a Location other than Franchisee's home, then within 30 days after termination or expiration, Franchisee shall at its own expense "de-identify" the Location so that it no longer contains the Marks, signage, or any trade dress of a

RealClean business, to the reasonable satisfaction of Franchisor. Franchisee shall comply with any reasonable instructions and procedures of Franchisor for de-identification. If Franchisee fails to do so within 30 days after this Agreement expires or is terminated, Franchisor may enter the Location to remove the Marks and de-identify the Location. In this event, Franchisor will not be charged with trespass and shall not be accountable or required to compensate for any assets removed or altered, or for any damage caused by Franchisor.

**14.5 Other Claims.** Termination of this Agreement by Franchisor will not affect or discharge any claims, rights, causes of action or remedies (including claims for Franchisor's lost future income after termination), which Franchisor may have against Franchisee, whether arising before or after termination.

**14.6 Purchase Option.** When this Agreement expires or is terminated, Franchisor will have the right (but not the obligation) to purchase any or all of the assets related to the Business, with the equipment, supplies, and inventory valued as follows:

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

To exercise this option, Franchisor must notify Franchisee no later than 30 days after this Agreement expires or is terminated. If the parties cannot agree on a value within 30 days after the exercise notice, the value will be determined by an independent appraiser reasonably acceptable to both parties based on the above formula. The parties will equally share the cost of the appraisal. Franchisor's purchase will be of assets only (free and clear of all liens), and the purchase will not include any liabilities of Franchisee. If Franchisor exercises the purchase option, Franchisor may deduct from the purchase price: (a) all amounts due from Franchisee; (b) Franchisee's portion of the cost of any appraisal conducted hereunder; and (c) amounts which Franchisor paid or will pay to third parties to satisfy indebtedness owed by Franchisee to third parties. If any of the assets are subject to a lien, Franchisor may pay a portion of the purchase price directly to the lienholder to pay off such lien. Franchisor may withhold 25% of the purchase price for 90 days to ensure that all of Franchisee's taxes and other liabilities are paid. Franchisor may assign this purchase option to another party.

## **ARTICLE 15. TRANSFERS**

**15.1 By Franchisor.** Franchisor retains the right to transfer or assign this Agreement, or any of its rights or obligations under this Agreement, to any person or entity, and Franchisor may undergo a change in ownership and/or control, without the requirement of obtaining consent from Franchisee.

**15.2 By Franchisee.** Franchisee acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee and that Franchisor entered into this Agreement in reliance on Franchisee's business skill, financial capacity, personal character, experience, and business

ability. Accordingly, Franchisee shall not conduct or undergo a Transfer without providing Franchisor at least 60 days prior notice of the proposed Transfer, and without obtaining Franchisor's consent. In granting any such consent, Franchisor may impose conditions, including, without limitation, the following:

- (i) Franchisor receives a transfer fee equal to the greater of ten thousand dollars (\$10,000) per territory or 20% of our then-current per-territory initial franchise fee;
- (ii) the proposed assignee and its owners have completed Franchisor's franchise application processes, meet Franchisor's then-applicable standards for new franchisees, and have been approved by Franchisor as franchisees;
- (iii) the proposed assignee is not a Competitor;
- (iv) the proposed assignee executes Franchisor's then-current form of franchise agreement, which form may contain materially different provisions;
- (v) all owners of the proposed assignee provide a guaranty in accordance with Section 2.5;
- (vi) Franchisee has paid all monetary obligations to Franchisor in full, and Franchisee is not otherwise in default or breach of this Agreement;
- (vii) the proposed assignee and its owners and employees undergo such training as Franchisor may require;
- (viii) Franchisee, its Owners, and the transferee and its owners execute a general release of Franchisor in a form satisfactory to Franchisor;
- (ix) Franchisee or the proposed transferee reimburses Franchisor upon receipt of Franchisor's invoice for any broker or other placement fees Franchisor incurs as a result of the Transfer; and
- (x) the Business fully complies with all of Franchisor's most recent System Standards.

**15.3 Transfer for Convenience of Ownership.** If Franchisee is an individual, Franchisee may Transfer this Agreement to a corporation or limited liability company formed for the convenience of ownership after at least 15 days' notice to Franchisor, if, prior to the Transfer: (1) the transferee provides the information required by Section 2.3; (2) Franchisee provides copies of the entity's charter documents, by-laws (or operating agreement) and similar documents, if requested by Franchisor, (3) Franchisee owns all voting securities of the corporation or limited liability company, and (4) Franchisee provides a guaranty in accordance with Section 2.5. Franchisor may require Franchisee to pay its reasonable costs associated with completing a transfer for convenience of ownership, but Franchisee shall not be required to pay Franchisor the transfer fee found in Section 15.2.

**15.4 Transfer upon Death or Incapacity.** Upon the death or incapacity of Franchisee (or, if Franchisee is an entity, the person with the largest ownership interest in Franchisee), the executor,

administrator, or personal representative of that person must Transfer the Business to a third party approved by Franchisor within nine months after death or incapacity. Such transfer must comply with Section 15.2.

**15.5 Franchisor’s Right of First Refusal.** Before Franchisee (or any Owner) engages in a Transfer (except under Section 15.3 or to a spouse, sibling, or child of an Owner), Franchisor will have a right of first refusal, as set forth in this Section. Franchisee (or its Owners) shall provide to Franchisor a copy of the terms and conditions of any Transfer. For a period of 30 days from the date of Franchisor’s receipt of such copy, Franchisor will have the right, exercisable by notice to Franchisee, to purchase the assets subject of the proposed Transfer for the same price and on the same terms and conditions (except that Franchisor may substitute cash for any other form of payment). If Franchisor does not exercise its right of first refusal, Franchisee may proceed with the Transfer, subject to the other terms and conditions of this Article.

**15.6 No Sublicense.** Franchisee has no right to sublicense the Marks or any of Franchisee’s rights under this Agreement.

**15.7 No Lien on Agreement.** Franchisee shall not grant a security interest in this Agreement to any person or entity. If Franchisee grants an “all assets” security interest to any lender or other secured party, Franchisee shall cause the secured party to expressly exempt this Agreement from the security interest.

## **ARTICLE 16. INDEMNITY**

**16.1 Indemnity.** Franchisee shall indemnify and defend (with counsel reasonably acceptable to Franchisor) Franchisor, its parent entities, subsidiaries and affiliates, and their respective owners, directors, officers, employees, agents, successors and assignees (collectively, “Indemnitees”) against all Losses in any Action by or against Franchisor and/or any Indemnitee directly or indirectly related to, or alleged to arise out of, the operation of the Business. Notwithstanding the foregoing, Franchisee shall not be obligated to indemnify an Indemnitee from Actions arising as a result of any Indemnitee’s misconduct or negligence. This indemnity will continue in effect after this Agreement ends.

**16.2 Assumption by Franchisor.** Franchisor may elect to assume the defense and/or settlement of any Action subject to indemnification under Section 16.1, at Franchisee’s expense. Such an undertaking shall not diminish Franchisee’s obligation to indemnify the Indemnitees.

## **ARTICLE 17. DISPUTE RESOLUTION**

### **17.1 Arbitration.**

(a) Disputes Subject to Arbitration. Except as expressly provided in subsection (c), any controversy or claim arising out of or relating to this Agreement (including its formation) shall be resolved by arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, including the Optional Rules for Emergency Measures of Protection. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction. All individual owners of Franchisee shall be subject to arbitration as described herein. Franchisee expressly agrees that any claims Franchisee brings against Franchisor, its members,

directors, officers, employees, agents, or representatives shall be exclusively resolved by arbitration as described in this paragraph. If Franchisor prevails on a motion to compel Franchisee's claims to arbitration, Franchisee shall pay Franchisor's attorneys fees, costs, and expenses related to such action. In any arbitration, the arbitrator must have no less than ten (10) years of experience practicing franchise law.

(b) Location. The place of arbitration shall be the city and state where Franchisor's headquarters are located.

(c) Injunctive Relief. Either party may apply to the arbitrator seeking injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. Either party also may, without waiving any remedy or right to arbitrate under this Agreement, seek from any court having jurisdiction any interim or provisional injunctive relief.

(d) Confidentiality. All documents, information, and results pertaining to any arbitration or lawsuit will be confidential, except as required by law or as required for Franchisor to comply with laws and regulations applicable to the sale of franchises.

(e) Performance During Arbitration or Litigation. Unless this Agreement has been terminated, Franchisor and Franchisee will comply with this Agreement and perform their respective obligations under this Agreement during the arbitration or litigation process.

**17.2 Damages.** In any controversy or claim arising out of or relating to this Agreement, each party waives any right to punitive or other monetary damages not measured by the prevailing party's actual damages, except damages authorized by federal or state statute. In the event of termination of this Agreement prior to the expiration of the term due to Franchisee's default, Franchisor's actual damages will include its lost future income from Royalty Fees and other amounts that Franchisee would have owed to Franchisor but for the termination.

**17.3 Waiver of Class Actions.** The parties agree that any claims will be arbitrated, litigated, or otherwise resolved on an individual basis, and waive any right to act on a class-wide basis.

**17.4 Time Limitation.** Any arbitration or other legal action arising from or related to this Agreement must be instituted within one year from the date such party discovers the conduct or event that forms the basis of the arbitration or other legal action. The foregoing time limit does not apply to claims (i) by one party related to non-payment under this Agreement by the other party, (ii) for indemnity under Article 16, or (iii) related to unauthorized use of Confidential Information or the Marks.

**17.5 Venue Other Than Arbitration.** For any legal proceeding not required to be submitted to arbitration, the parties agree that any such legal proceeding will be brought in the United States District Court where Franchisor's headquarters is then located. If there is no federal jurisdiction over the dispute, the parties agree that any such legal proceeding will be brought in the court of record of the state and county where Franchisor's headquarters is then located. Each party consents to the jurisdiction of such courts and waives any objection that it, he or she may have to the laying of venue of any proceeding in any of these courts.

**17.6 Legal Costs.** In any legal proceeding (including arbitration) related to this Agreement or any guaranty, Franchisee shall pay Franchisor's attorney fees, costs and other expenses of the legal proceeding if Franchisor prevails upon the central litigated issues and obtains substantial relief.

## **ARTICLE 18. MISCELLANEOUS**

**18.1 Relationship of the Parties.** The parties are independent contractors, and neither is the agent, partner, joint venturer, or employee of the other. Franchisor is not a fiduciary of Franchisee. Franchisor does not control or have the right to control Franchisee or its Business. Any required specifications and standards in this Agreement and in the System Standards exist to protect Franchisor's interest in the System and the Marks, and the goodwill established in them, and not for the purpose of establishing any control, or duty to take control, over the Business. Franchisor has no liability for Franchisee's obligations to any third party whatsoever.

**18.2 No Third-Party Beneficiaries.** This Agreement does not confer any rights or remedies upon any person or entity other than Franchisee, Franchisor, and Franchisor's affiliates.

**18.3 Entire Agreement.** This Agreement constitutes the entire agreement of the parties and supersedes all prior negotiations and representations. Nothing in this Agreement or in any related agreement is intended to disclaim the representations made by Franchisor in its franchise disclosure document.

**18.4 Modification.** No modification or amendment of this Agreement will be effective unless it is in writing and signed by both parties. This provision does not limit Franchisor's rights to modify the Manual or System Standards.

**18.5 Consent; Waiver.** No consent under this Agreement, and no waiver of satisfaction of a condition or nonperformance of an obligation under this Agreement will be effective unless it is in writing and signed by the party granting the consent or waiver. No waiver by a party of any right will affect the party's rights as to any subsequent exercise of that right or any other right. No delay, forbearance or omission by a party to exercise any right will constitute a waiver of such right.

**18.6 Cumulative Remedies.** Rights and remedies under this Agreement are cumulative. No enforcement of a right or remedy precludes the enforcement of any other right or remedy.

**18.7 Severability.** The parties intend that (i) if any provision of this Agreement is held by an arbitrator or court to be unenforceable, then that provision be modified to the minimum extent necessary to make it enforceable, unless that modification is not permitted by law, in which case that provision will be disregarded, and (ii) if an unenforceable provision is modified or disregarded, then the rest of this Agreement will remain in effect as written.

**18.8 Governing Law.** The laws of the State of Florida (without giving effect to its principles of conflicts of law) govern this Agreement, any Addenda, and all adversarial proceedings between the parties. The parties agree that any Florida law for the protection of franchisees or business opportunity purchasers will not apply unless its jurisdictional requirements are met independently without reference to this Section 18.8.

**18.9 Notices.** Any notice will be effective under this Agreement only if made in writing and delivered as set forth in this Section to: (A) if to Franchisee, addressed to Franchisee at the notice address set forth in the Summary Page; and (B) if to Franchisor, addressed to 107 Center Street, P.O. Box 100, Maple Park, Illinois 60151. Any party may designate a new address for notices by giving notice of the new address pursuant to this Section. Notices will be effective upon receipt (or first rejection) and must be: (1) delivered personally; (2) sent by registered or certified U.S. mail with return receipt requested; or (3) sent via overnight courier. Notwithstanding the foregoing, Franchisor may amend the Manual, give binding notice of changes to System Standards, and deliver notices of default by electronic mail or other electronic communication.

**18.10 Joint and Several Liability.** If two or more people sign this Agreement as “Franchisee”, each will have joint and several liability.

**18.11 No Offer and Acceptance.** Delivery of a draft of this Agreement to Franchisee by Franchisor does not constitute an offer. This Agreement shall not be effective unless and until it is executed by both Franchisee and Franchisor.

[Signatures on Following Page]

Agreed to by:

FRANCHISOR:

REALCLEAN FRANCHISOR, LLC

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

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

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

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

FRANCHISEE:

*[if an individual or a non-entity partnership:]*

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

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

*[if an entity:]*

\_\_\_\_\_

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

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

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

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

**ATTACHMENT 1 TO FRANCHISE AGREEMENT**

**OWNERSHIP INFORMATION**

**Form of Ownership.** Franchisee is a (check one):

- \_\_\_\_\_ *Sole Proprietorship*
- \_\_\_\_\_ *Partnership*
- \_\_\_\_\_ *Limited Liability Company*
- \_\_\_\_\_ *Corporation*

State of incorporation, organization, or residence: \_\_\_\_\_

**Sole Proprietorship**

Name

**Owners.** If Franchisee is a partnership, limited liability company or corporation:

Name	Shares or Percentage of Ownership

**Officers.** If Franchisee is a limited liability company or corporation:

Name	Title

**ATTACHMENT 2 TO FRANCHISE AGREEMENT**  
**GUARANTY AND NON-COMPETE AGREEMENT**

This Guaranty and Non-Compete Agreement (this “Guaranty”) is executed by the undersigned person(s) (each, a “Guarantor”) in favor of RealClean Franchisor, LLC, a Florida limited liability company (“Franchisor”).

**Background Statement:** \_\_\_\_\_ (“Franchisee”) desires to enter into a Franchise Agreement with Franchisor for the franchise of a RealClean Aircraft Detailing business (the “Franchise Agreement”; capitalized terms used but not defined in this Guaranty have the meanings given in the Franchise Agreement). Guarantor owns an equity interest in Franchisee. Guarantor is executing this Guaranty in order to induce Franchisor to enter into the Franchise Agreement.

Guarantor agrees as follows:

**1. Guaranty.** Guarantor hereby unconditionally guarantees to Franchisor and its successors and assigns that Franchisee shall pay and perform every undertaking, agreement and covenant set forth in the Franchise Agreement and further guarantees every other liability and obligation of Franchisee to Franchisor, whether or not contained in the Franchise Agreement. Guarantor shall render any payment or performance required under the Franchise Agreement or any other agreement between Franchisee and Franchisor upon demand from Franchisor. Guarantor waives (a) acceptance and notice of acceptance by Franchisor of this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations of Franchisee; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right Guarantor may have to require that an action be brought against Franchisee or any other person or entity as a condition of liability hereunder; (e) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the execution of and performance under this Guaranty by the undersigned; (f) any law which requires that Franchisor make demand upon, assert claims against or collect from Franchisee or any other person or entity (including any other guarantor), foreclose any security interest, sell collateral, exhaust any remedies or take any other action against Franchisee or any other person or entity (including any other guarantor) prior to making any demand upon, collecting from or taking any action against the undersigned with respect to this Guaranty; and (g) any and all other notices and legal or equitable defenses to which Guarantor may be entitled.

**2. Confidential Information.** With respect to all Confidential Information Guarantor shall (a) adhere to all security procedures prescribed by Franchisor for maintaining confidentiality, (b) disclose such information to its employees only to the extent necessary for the operation of the Business; (c) not use any such information in any other business or in any manner not specifically authorized or approved in writing by Franchisor, (d) exercise the highest degree of diligence and make every effort to maintain the confidentiality of all such information during and after the term of the Franchise Agreement, (e) not copy or otherwise reproduce any Confidential Information, and (f) promptly report any unauthorized disclosure or use of Confidential Information. Guarantor

acknowledges that all Confidential Information is owned by Franchisor or its affiliates (except for Confidential Information which Franchisor licenses from another person or entity). Guarantor acknowledges that all customer data generated or obtained by Guarantor in the course of performing obligations under this agreement is Confidential Information belonging to Franchisor and shall not be used for any purpose other than fulfilling obligations under this agreement without the express written consent of the Franchisor. This Section will survive the termination or expiration of the Franchise Agreement indefinitely.

**3. Covenants Not to Compete**

(a) Restriction - In Term. During the term of the Franchise Agreement, Guarantor shall not directly or indirectly have any ownership interest in, or be engaged or employed by, any Competitor.

(b) Restriction – Post Term. For two years after the Franchise Agreement expires or is terminated for any reason (or, if applicable, for two years after a Transfer by Guarantor), Guarantor shall not directly or indirectly have any ownership interest in, or be engaged or employed by, any Competitor operating in any of Franchisee’s Territory or the Territory of any other RealClean Aircraft Detailing business operating on the date of termination or transfer, as applicable

(c) Interpretation. Guarantor agrees that each of the foregoing covenants is independent of any other covenant or provision of this Guaranty or the Franchise Agreement. If all or any portion of the covenants in this Section is held to be unenforceable or unreasonable by any court, then the parties intend that the court modify such restriction to the extent reasonably necessary to protect the legitimate business interests of Franchisor. Guarantor agrees that the existence of any claim it or Franchisee may have against Franchisor shall not constitute a defense to the enforcement by Franchisor of the covenants of this Section. If Guarantor fails to comply with the obligations under this Section during the restrictive period, then the restrictive period will be extended an additional day for each day of noncompliance.

**4. Modification**. Guarantor agrees that Guarantor’s liability hereunder shall not be diminished, relieved or otherwise affected by (a) any amendment of the Franchise Agreement, (b) any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person or entity, or (c) the acceptance of any partial payment or performance or the compromise or release of any claims.

**5. Governing Law; Dispute Resolution**. This Guaranty shall be governed by and construed in accordance with the laws of the state of Illinois (without giving effect to its principles of conflicts of law). The parties agree that any Illinois law for the protection of franchisees or business opportunity purchasers will not apply unless its jurisdictional requirements are met independently without reference to this Section 5. The provisions of Article 17 (Dispute Resolution) of the Franchise Agreement apply to and are incorporated into this Guaranty as if fully set forth herein. If multiple Guarantors sign this Guaranty, each will have joint and several liability.

*[Signatures on the following page]*

Agreed to by:

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

Address: \_\_\_\_\_  
\_\_\_\_\_

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

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

Address: \_\_\_\_\_  
\_\_\_\_\_

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

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

Address: \_\_\_\_\_  
\_\_\_\_\_

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

**ATTACHMENT 3 TO FRANCHISE AGREEMENT**

**MAP(S) AND LIST OF ZIP CODES THAT COMPRISE FRANCHIEE'S TERRITORY**

## EXHIBIT C

### FORM OF GENERAL RELEASE

*[This is our current standard form of General Release. This document is not signed when you purchase a franchise. In circumstances such as a renewal of your franchise or as a condition of our approval of a sale of your franchise, we may require you to sign a general release.]*

This General Release (“Release”) is executed by the undersigned (“Releasor”) in favor of RealClean Franchisor, LLC, a Florida limited liability company (“Franchisor”).

**Background Statement:** *[describe circumstances of Release]*

Releasor agrees as follows:

1. **Release.** Releasor (on behalf of itself and its parents, subsidiaries and affiliates and their respective past and present officers, directors, shareholders, managers, members, partners, agents, and employees (collectively, the “Releasing Parties”)) hereby releases Franchisor, its affiliates, and their respective directors, officers, shareholders, employees, and agents (collectively, the “Released Parties”) from any and all claims, causes of action, suits, debts, agreements, promises, demands, liabilities, contractual rights and/or obligations, of whatever nature, known or unknown, which any Releasing Party now has or ever had against any Released Party based upon and/or arising out of events that occurred through the date hereof, including without limitation, anything arising out of the Franchise Agreement (collectively, “Claims”).

2. **Covenant Not to Sue.** Releasor (on behalf of all Releasing Parties) covenants not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court, agency, or other forum, either affirmatively or by way of cross-claim, defense, or counterclaim, against any Released Party with respect to any Claim.

3. **Representations and Acknowledgments.** Releasor represents and warrants that: (i) Releasor is the sole owner of all Claims, and that no Releasing Party has assigned or transferred, or purported to assign or transfer, to any person or entity, any Claim; (ii) Releasor has full power and authority to sign this Release; and (iii) this Release has been voluntarily and knowingly signed after Releasor has had the opportunity to consult with counsel of Releasor’s choice. Releasor acknowledges that the release in Section 1 is a complete defense to any Claim.

4. **Miscellaneous.** If any of the provisions of this Release are held invalid for any reason, the remainder of this Release will not be affected and will remain in full force and effect. In the event of any dispute concerning this Release, the dispute resolution, governing law, and venue provisions of the Franchise Agreement shall apply. Releasor agrees to take any actions and sign any documents that Franchisor reasonably requests to effectuate the purposes of this Release. This Release contains the entire agreement of the parties concerning the subject matter hereof. This Release shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law. Additionally, this Release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

Agreed to by:

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

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

**EXHIBIT D**  
**FINANCIAL STATEMENTS**



CERTIFIED PUBLIC ACCOUNTANTS  
AND BUSINESS ADVISORS

Financial Statements and  
Independent Auditor's Report

**RealClean Franchisor, LLC**

As of and for the period from inception  
(July 12, 2024) to December 31, 2024

TEL 630 420 1360 FAX 630 420 1463 184 SHUMAN BLVD, SUITE 200 NAPERVILLE, IL 60563  
TEL 630 377 1106 FAX 630 377 2294 2560 FOXFIELD ROAD, SUITE 300 ST. CHARLES, IL 60174  
[WWW.DHJJ.COM](http://WWW.DHJJ.COM)

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## INDEPENDENT AUDITOR'S REPORT

To the Members  
**RealClean Franchisor, LLC**  
Maple Park, Illinois

We have audited the accompanying financial statements of RealClean Franchisor, LLC (a Florida limited liability company), which comprise the balance sheet as of December 31, 2024, and the related statements of operations and members equity and cash flows for the period from inception (July 12, 2024) to December 31, 2024, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of RealClean Franchisor, LLC as of December 31, 2024, 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 audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of RealClean Franchisor, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, 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 RealClean Franchisor, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

TEL 630 420 1360    FAX 630 420 1463    184 SHUMAN BLVD, SUITE 200    NAPERVILLE, IL 60563  
TEL 630 377 1106    FAX 630 377 2294    2560 FOXFIELD ROAD, SUITE 300    ST. CHARLES, IL 60174  
[WWW.DHJJ.COM](http://WWW.DHJJ.COM)

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

DHJJ LTD.

Naperville, Illinois  
April 17, 2025.



RealClean Franchisor, LLC

**BALANCE SHEET**

December 31, 2024

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**ASSETS**

**CURRENT ASSETS**

Cash	\$	156,411
Miscellaneous receivable		2,168
Due from related parties		14,115
Prepaid expenses		<u>48,741</u>
Total current assets		221,435

**PROPERTY AND EQUIPMENT, net** 9,747

**INTANGIBLE ASSETS, net** 22,122

\$ 253,304

**LIABILITIES AND MEMBERS' EQUITY**

**CURRENT LIABILITIES**

Accounts payable	\$	40,850
Due to members		28,275
Accrued expenses		<u>8,930</u>
Total current liabilities		78,055

**MEMBERS' EQUITY** 175,249

\$ 253,304

See accompanying notes.

RealClean Franchisor, LLC

**STATEMENT OF OPERATIONS AND MEMBERS' EQUITY**

Period from inception (July 12, 2024) to December 31, 2024

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<b>REVENUE, net</b>	\$ -
<b>COST OF REVENUES</b>	<u>28,144</u>
Gross loss	(28,144)
<b>OPERATING EXPENSES</b>	<u>331,561</u>
Loss from operations	(359,705)
<b>OTHER EXPENSE</b>	
Service fee	<u>(28,275)</u>
<b>NET LOSS</b>	(387,980)
<b>MEMBERS' EQUITY, beginning of period</b>	-
Contributions	<u>563,229</u>
<b>MEMBERS' EQUITY, end of period</b>	<u>\$ 175,249</u>

See accompanying notes.

RealClean Franchisor, LLC

**STATEMENT OF CASH FLOWS**

Period from inception (July 12, 2024) to December 31, 2024

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Net loss	\$ (387,980)
Adjustments to reconcile net loss to net cash used by operating activities:	
Depreciation and amortization	791
(Increase) decrease in:	
Miscellaneous receivable	(2,168)
Prepaid expenses	(48,741)
Due from related parties	(14,115)
Increase (decrease) in:	
Accounts payable and accrued expenses	49,780
Due to members	28,275
Net cash used by operating activities	<u>(374,158)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Purchases of property and equipment	(10,538)
Website development costs	<u>(22,122)</u>
Net cash used by investing activities	(32,660)

**CASH FLOWS FROM FINANCING ACTIVITIES:**

Member contributions	<u>563,229</u>
Net cash provided by financing activities	<u>563,229</u>

**NET INCREASE IN CASH** 156,411

Cash, beginning of period -

Cash, end of period \$ 156,411

**SUPPLEMENTAL CASH FLOW INFORMATION:**

<b>Cash paid for:</b>	
Interest	\$ -
Taxes	\$ -

See accompanying notes.

RealClean Franchisor, LLC  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2024

---

**NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Business Activities**

RealClean Franchisor, LLC (the "Company") is primarily engaged in selling aircraft detailing franchises in the United States under the business name RealClean Aircraft Detailing. The Company was formed on July 12, 2024, and as of December 31, 2024, no franchisees were operational.

The Company is currently running an advertising campaign and readying to launch the franchise system. The Company is subject to a number of risks similar to those of other companies of similar size in its industry, including, but not limited to, the need for successful market viability of the franchise, the need for additional capital, or financing to fund operations, competition from substitute services from larger companies, protection of proprietary technology, patent litigation, dependence on key individuals, and risks associated with changes in information technology.

**Basis of Accounting**

The financial statements of the Company are prepared on the accrual basis of accounting.

**Use of Estimates**

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

**Fair Value of Financial Instruments**

The carrying value of the Company's cash, accounts payable, and credit card liabilities approximate fair value due to the short-term nature or liquidity of these items, the fact that these amounts resulted from recent transactions between willing buyers and willing sellers, and their close proximity to maturity.

**Cash**

The Company classifies all bank deposits, interest and non-interest bearing, as cash.

**Property and Equipment**

Property and equipment, consisting of furniture and fixtures, are stated at cost, less accumulated depreciation. Additions, renewals, and betterments that significantly extend the life of the asset are capitalized. Expenditures for repairs and maintenance are charged to expense as incurred.

Depreciation is computed on a straight-line basis over three to five years. Depreciation and amortization expense was \$791 for the period ended December 31, 2024.

RealClean Franchisor, LLC  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2024

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**NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--continued**

**Intangible Assets**

The Company's intangible assets consist of external website development costs. The Company capitalizes external website development costs, which primarily include third-party costs related to acquiring domains and developing applications, as well as costs incurred to develop or acquire and customize code for web applications, costs to develop web pages or develop templates and costs to create initial graphics for the website that included the design or layout of each page. For the period from inception (July 12, 2024) to December 31, 2024, the Company capitalized \$22,122 related to website development costs. The Company's website is set to launch in early 2025 therefore, at December 31, 2024, the website development was still in progress. Based on this, no amortization was recorded. The Company will amortize website development costs on a straight-line basis over its estimated useful life, which at December 31, 2024, has not been determined.

**Impairment of Long-Lived Assets**

The Company reviews long-lived assets, consisting of property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable, but not less frequently than annually. An impairment loss would be recognized when the fair value is less than the carrying amount of that asset. The impairment loss would be measured and recorded by the amount in which the carrying amount exceeds its fair value. There was no impairment losses for the period ended December 31, 2024.

**Leases**

The Company determines if an arrangement is a lease or contains a lease at the inception of the contract. Operating lease right-of-use ("ROU") assets and lease liabilities, if any, are initially measured at the present value of future lease payments over the lease term as determined at each leases' commencement date. Operating lease expense is recognized on a straight-line basis over the term of each lease. Operating lease ROU assets include all fixed contractual lease payments and initial direct costs incurred by the Company, less any lease incentives received from the lessor. As permitted under U.S GAAP, the Company elected not to apply these lease accounting policies to leases with a term of less than one year at the lease's commencement date (see Note B).

**Revenue Recognition**

The Company currently does not have franchises. However, upon sales of such franchises, revenues will consist of sales of initial franchise agreements and royalties based on a percentage of sales in accordance with the provisions of the Franchise Disclosure Document.

In accordance with Accounting Standards Update (ASU) 2021-02, *Franchisors-Revenue from Contracts with Customers* (Subtopic 952-606): *Practical Expedient*, private-company franchisors that enter into a franchise agreement may account for certain preopening services provided to a franchisee as a single performance obligation. As such, the Company's accounting policy will be to recognize initial franchise rights in revenue upon the completion of training services provided by the Company. The Company anticipates initial franchises to begin in 2025.

RealClean Franchisor, LLC  
**NOTES TO FINANCIAL STATEMENTS**

December 31, 2024

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**NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-continued**

**Revenue Recognition-continued**

The Company anticipates recognizing royalties from franchisees as a percent of sales in each calendar year the franchise agreement is in effect. Royalties represent sales-based royalties that are related entirely to the Company's performance obligation under the franchise agreement and are recognized as the underlying franchise sales occur. The Company anticipates royalties to begin in 2025.

Initial franchise fees, depending on number of territories granted, are estimated to be approximately \$215,000 to \$415,000, in accordance with the franchise disclosure document.

**Advertising**

The Company expenses advertising costs as they are incurred. Advertising expense for the period ended December 31, 2024 was \$150,787.

**Income Taxes**

The Company is a limited liability company and has elected to be treated as a partnership for federal and state income tax purposes. The members of a limited liability company are taxed personally on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in the financial statements. The Company anticipates making distributions to the members based on income taxes resulting from taxable income generated by the Company, if any.

If it is probable that an uncertain tax position of the Company will result in a material liability and the amount of the liability can be estimated, then the estimated liability is accrued. If the Company were to incur any income tax liability in the future, interest on any income tax liability would be reported as interest expense, and penalties on any income tax would be reported as income taxes. Management has deemed no such liability or disclosure was applicable as of December 31, 2024, as there were no uncertain tax positions.

Management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law, and new authoritative rulings. Potential audit exposure can be expanded to include up to six years.

**Concentration of Credit Risk**

The Company's financial instruments subject to credit risk are, primarily, cash. The Company averts its risk by depositing its excess cash only in established, high quality financial institutions. Generally, management does not require collateral or exercise its lien rights in order to support accounts receivable. Management believes that any risk of loss is significantly reduced by its ongoing credit evaluations and the close working relationship developed with its customers.

RealClean Franchisor, LLC  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2024

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**NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--continued**

**Adoption of New Accounting Standards**

*Financial Instruments – Credit Losses*

In June 2016, the FASB issued ASU 2016-3, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, to amend the current accounting guidance which requires the measurement of all expected losses to be based on historical experience, current conditions and reasonable and supportable forecasts. For trade receivables, loans, and other financial instruments, the Company will be required to use a forward-looking expected loss model that reflects probable losses rather than the incurred loss model for recognizing credit losses. The Company adopted the standard July 12, 2024, and it did not have a material impact on the Company's financial statements and disclosures.

**Date of Management's Review**

Management has evaluated subsequent events through April 17, 2025, which is the date the financial statements were available to be issued.

**NOTE B--LEASE OBLIGATION**

The Company leases the premises it occupies under a verbal month-to-month agreement with the landlord. The agreed upon monthly rent is \$1,000. Total rent expense for the period ended December 31, 2024, was \$5,000.

**NOTE C--CONCENTRATIONS**

The Company maintains its cash balances at two financial institutions. Interest and non-interest-bearing accounts are insured up to a ceiling of \$250,000 per Bank by the Federal Deposit Insurance Corporation. There were no uninsured balances as of December 31, 2024.

The Company has not experienced any losses in these accounts and does not believe that a significant credit risk exists at this time.

**NOTE D--MEMBERS' EQUITY**

*Term*

The term of the Company commenced on the inception date and shall continue in existence perpetually until the Company is terminated in accordance with the provisions of the LLC Agreement.

*Membership Interests*

The Company shall have two (2) classes of membership interests, Class A Common Interests and Class B Common Interests. There are ten thousand (10,000) units authorized for issuance, of which nine thousand (9,000) shall be designated as Units of Class A Common Interests and one thousand (1,000) shall be designated as Units of Class B Common Interests. As of December 31, 2024, 1,000 units of Class A Common Interests and no Units of Class B Common Interests, respectively, have been issued and are currently outstanding.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2024

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### NOTE D--MEMBERS' EQUITY-continued

#### *Liquidation Preferences*

In the event of any deemed liquidation event, the Company shall liquidate the assets and distribute the proceeds of such liquidation first, to the establishment of, and additions to, reserves that are determined by the Board to be reasonably necessary for any contingent unforeseen liabilities or obligations of the Company. If the members receive less than fair market value for their interests in the Company, then 100% shall be distributed to the minority investor until it receives an amount equal to its liquidation preference, and then pro rata to the members in accordance with their respective units. If the members are receiving at least fair market value for their interests in the Company, then pro rata distributions shall be made to the members in accordance with their respective units.

#### *Distributions*

Distributions of available cash shall be made to the Members when and in such amounts as determined by the Board. Distributions are made first to the members, pro rata, to pay interest and principal on any cash needs or loan, until paid in full and the balance shall be distributed to the holders of Class A Common Interests and vested Class B Common Interests. However, a holder of a vested Class B Common Interest shall not have the right to receive any distributions with respect to such vested Class B Common Interest until the aggregate distributions per unit that have been made to all Class A Common Interests is equal to the participation threshold of such vested Class B Common interest.

#### *Voting Rights*

Class A Common Interests shall entitle the holder of record thereof to vote on each matter on which the members of the Company shall be entitled to vote, and each holder of Class A Common Interests shall be entitled to one vote for each unit of such interest held by such holder. Class B Common Interests shall not have any voting rights.

Upon the formation of the Company, one of the members contributed \$400,000. The other member funded \$150,958 of operational costs to launch the Company. This member also contributed certain intellectual property, such as trademarks, website domain and intrinsic value of the Company brand name.

### NOTE E--RELATED PARTY TRANSACTIONS

In July 2024, the Company entered into a services agreement with one of the members for strategic advisory services, technical expertise and other resources provided to the Company. Under the terms of the agreement, the related party charges the Company an annual fee for the services provided. Service fees amounted to \$28,275 for the period from inception, July 12, 2024, to December 31, 2024. The non-interest-bearing service fee payable was \$28,275 as of December 31, 2024. This amount is included in due to members on the accompanying balance sheet.

In certain cases, the Company pays for expenses of other companies that are related through common ownership. At December 31, 2024, the Company was owed \$14,115 from one of those companies.

Balance Sheet  
REALCLEAN FRANCHISOR LLC  
As of October 31, 2025

DISTRIBUTION ACCOUNT	TOTAL
<b>Assets</b>	
Current Assets	
Bank Accounts	
CDARS Account	311,367.60
Checking - Brand Fund	122,426.07
Checking - First State Bank	342,191.77
QuickBooks Checking Account	10.00
<b>Total for Bank Accounts</b>	<b>\$775,995.44</b>
Accounts Receivable	
Accounts Receivable (A/R)	1,500,717.82
<b>Total for Accounts Receivable</b>	<b>\$1,500,717.82</b>
Other Current Assets	
Channel Clearing Account	
Shopify - 590f3f-7a Clearing Account	-21.05
<b>Total for Channel Clearing Account</b>	<b>-\$21.05</b>
Inventory Asset	
Inventory Asset	309,528.10
Miscellaneous Receivables	
Miscellaneous Receivables	0.00
N/R - Hulette	68,117.27
N/R - Realclean Aircraft Detailing	17,893.98
Payments to deposit	-5.00
Prepaid expenses	
Prepaid Broker Fees	1,538,230.47
<b>Total for Prepaid expenses</b>	<b>\$1,582,272.67</b>
<b>Total for Other Current Assets</b>	<b>\$1,977,785.97</b>
<b>Total for Current Assets</b>	<b>\$4,254,499.23</b>
Fixed Assets	
Assets	
Computer & Software (over \$1000)	\$17,939.27
Furniture & fixtures	0.00
Leasehold Improvements	18,978.18
Website	2,438.15
Website	25,271.80
<b>Total for Assets</b>	<b>\$64,627.40</b>
Less Accumulated depreciation	-10,549.44
<b>Total for Fixed Assets</b>	<b>\$54,077.96</b>
<b>Total for Assets</b>	<b>\$4,308,577.19</b>
<b>Liabilities and Equity</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable (A/P)	206,991.05

These Financial Statements Have Been Prepared without an Audit. Prospective Franchisees or Sellers of Franchises Should be Advised that No Independent Certified Public Accountant Has Audited These Figures or Expressed an Opinion with Regard to their Content or Form.

Balance Sheet  
REALCLEAN FRANCHISOR LLC  
As of October 31, 2025

DISTRIBUTION ACCOUNT	TOTAL
<b>Total for Accounts Payable</b>	<b>\$206,991.05</b>
Credit Cards	
Ramp card	7,195.88
<b>Total for Credit Cards</b>	<b>\$7,195.88</b>
Other Current Liabilities	
401k EE contribution	2,945.43
401k loan	760.88
Accrued Payables	0.00
Accrued Payroll	47,380.21
Accrued Revenue	3,903,167.33
Alabama, Auburn Payable	6,317.06
Alabama, Birmingham Payable	7,003.98
Arizona Department of Revenue Payable	5,463.09
Arkansas Department of Finance and Administration Payable	6,916.41
Colorado, Parker Payable	5,603.17
Connecticut Department of Revenue Services Payable	4,447.51
Direct Deposit Liability	0.00
Due to Members	4,381.00
Emp W/H Dental and Vision Ins	-8.58
Emp W/H Health Insurance	-1,994.71
Florida Department of Revenue Payable	20,953.72
Georgia Department of Revenue Payable	4,902.77
Illinois Department of Revenue Payable	558.69
Louisiana, Orleans Parish Payable	7,003.98
Massachusetts Department of Revenue Payable	8,754.94
Michigan Department of Treasury Payable	4,202.37
Missouri Department of Revenue Payable	5,589.16
New Jersey Division of Taxation Payable	9,283.74
North Carolina Department of Revenue Payable	9,805.54
N/P - 1954 Capital Partners	0.00
N/P - Goucher	0.00
N/P - Zeitler	0.00
Ohio Department of Taxation Payable	5,603.17
Oklahoma Tax Commission Payable	5,788.50
Out Of Scope Agency Payable	0.00
Sales Tax Payable	22.13
South Carolina Department of Revenue Payable	6,303.56
South Dakota Department of Revenue Payable	4,342.45
Tennessee Department of Revenue Payable	4,992.02
Texas State Comptroller Payable	33,619.02
Wisconsin Department of Revenue Payable	3,852.18
<b>Total for Other Current Liabilities</b>	<b>\$4,127,960.66</b>

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Balance Sheet  
REALCLEAN FRANCHISOR LLC  
As of October 31, 2025

DISTRIBUTION ACCOUNT	TOTAL
<b>Total for Current Liabilities</b>	<b>\$4,342,147.59</b>
Long-term Liabilities	
N/P - RealClean Aviation Services LLC	0.00
<b>Total for Long-term Liabilities</b>	<b>\$0.00</b>
<b>Total for Liabilities</b>	<b>\$4,342,147.59</b>
Equity	
Partner - 1954 Capital Partners LLC	273,973.39
Partner - RealClean Holdco LLC	-89,819.51
Retained Earnings	-16,493.00
Net Income	-201,231.28
<b>Total for Equity</b>	<b>-\$33,570.40</b>
<b>Total for Liabilities and Equity</b>	<b>\$4,308,577.19</b>

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Profit and Loss  
REALCLEAN FRANCHISOR LLC  
January 1-October 31, 2025

DISTRIBUTION ACCOUNT	TOTAL
<b>Income</b>	
Brand Fund Income	285,000.00
Equipment Package Sales	1,430,569.32
Franchise Sales Income	2,245,090.00
Marketing Activation Income	80,000.00
Rebates	41,991.58
Royalty Income	10,090.64
Sales of Product Income	2,252.08
Shopify Sales	906.57
Software Implementation Income	40,000.00
Technology Fees Income	8,745.00
<b>Total for Income</b>	<b>\$4,144,645.19</b>
<b>Cost of Sales</b>	
COGS - Equipment	1,143,204.50
COGS - Shopify	1,203.74
Cost of Goods Sold	
Professional Service Fees/Dues	180,252.48
Professional Service Fees/Dues - Broker Sales Fees	1,728,080.60
<b>Total for Cost of Goods Sold</b>	<b>\$1,886,333.08</b>
Direct Franchisor Costs	
National Advertising Fund	0.00
<b>Total for Direct Franchisor Costs</b>	<b>\$0.00</b>
Shopify Selling Fees	21.05
<b>Total for Cost of Sales</b>	<b>\$3,030,762.37</b>
<b>Gross Profit</b>	<b>\$1,113,882.82</b>
<b>Expenses</b>	
Accounting and Legal Fees	77,203.77
Advertising & Marketing	48,284.74
Bank fees & service charges	1,034.88
Brand Fund Items	
Brand Fund Items Advertising/Promotional	57,338.79
Brand Fund Items Marketing Payroll	87,563.91
Brand Fund Items Professional Fees/Dues	5.00
Brand Fund - National Conference	\$863.30
Brand Fund Items - Conference Expenses	67,486.78
Brand Fund Items - Conference Income	-50,210.00
<b>Total for Brand Fund - National Conference</b>	<b>\$17,940.06</b>
<b>Total for Brand Fund Items</b>	<b>\$162,847.76</b>
Car Truck/Equipment Rental	12,500.00
Computer & Software expenses	28,140.08

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Profit and Loss  
REALCLEAN FRANCHISOR LLC  
January 1-October 31, 2025

DISTRIBUTION ACCOUNT	TOTAL
Contract labor	63,077.00
Credit Card Processing Fees	6,129.85
Dealer Registration Fees	645.00
Dues & Subscriptions	46,458.62
Fuel	830.35
General business expenses	
Business licenses	2,739.00
Commissions & fees	130.00
Market Research	4,447.42
Organization expenses	779.54
Payroll expenses	\$83.98
401k ER match	0.00
Franchise Direct Labor	447,102.49
Payroll Processing Fees	2,302.17
Payroll taxes	45,171.24
<b>Total for Payroll expenses</b>	<b>\$494,659.88</b>
Printing & photocopying	337.12
Professional Fees	\$5,631.60
Other Professional Fees	64,213.33
<b>Total for Professional Fees</b>	<b>\$69,844.93</b>
Promotional Supplies	676.98
Telephone expense	10,519.53
Website Expense	-6,451.80
<b>Total for General business expenses</b>	<b>\$577,682.60</b>
Insurance	10,822.32
Meals & Entertainment	54,606.06
Merchant account fees	22,013.74
Mileage Reimbursement	249.08
Misc Dealer Expenses	0.00
Office/General Administrative Expenses	51.10
Office Supplies (under \$1000)	14,155.55
Other Business Expenses	11,950.00
R & D	8,130.52
Rent & Leases	37,200.00
Repairs & Maintenance	35,873.40
Shipping Freight & Delivery	2,985.98
Taxes & Licenses	216.00
Tools & Equipment Under \$1000	8,289.28
Training Supplies	6,986.68
Travel	62,653.33
Uniforms	10,832.06

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Profit and Loss  
REALCLEAN FRANCHISOR LLC  
January 1-October 31, 2025

DISTRIBUTION ACCOUNT	TOTAL
Utilities	1,284.13
<b>Total for Expenses</b>	<b>\$1,309,113.86</b>
<b>Net Operating Income</b>	<b>-\$195,231.04</b>
Other Income	
Interest earned	4,284.69
Rebates/Cashback/Rewards	0.58
<b>Total for Other Income</b>	<b>\$4,285.27</b>
Other Expenses	
Depreciation	9,758.44
Other Miscellaneous Expense	527.07
<b>Total for Other Expenses</b>	<b>\$10,285.51</b>
<b>Net Other Income</b>	<b>-\$6,000.24</b>
<b>Net Income</b>	<b>-\$201,231.28</b>

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**EXHIBIT E**  
**OPERATING MANUAL TABLE OF CONTENTS**



# Confidential

## Franchise Operations Manual

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## EXHIBIT F

### CURRENT AND FORMER FRANCHISEES

#### Franchisees Opened as of December 31, 2024

Names of all current open and operating franchisees (as of the end of our last fiscal year) and the address and telephone number of each of their outlets:

None.

#### Franchisees Signed but not yet Opened as of December 31, 2024

Names of all franchisees who had signed franchise agreements but not yet opened for business as of the end of our last fiscal year and their location and contact information:

None.

#### Former Franchisees

Name, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the disclosure document issuance date:

None.

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

**EXHIBIT G**  
**STATE ADDENDA TO DISCLOSURE DOCUMENT**

## CALIFORNIA ADDENDUM TO DISCLOSURE DOCUMENT

California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department of Financial Protection and Innovation, prior to a solicitation of a proposed material modification of an existing franchise.

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

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 Franchise Disclosure Document.

Our website, [www.realcleanaircraft.com](http://www.realcleanaircraft.com), has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of this website may be directed to the California Department of Financial Protection and Innovation at [www.dfpi.ca.gov](http://www.dfpi.ca.gov).

All the owners of the franchise will be required to execute personal guarantees. This requirement places the marital assets of the spouses domiciled in community property states – Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington and Wisconsin at risk if your franchise fails.

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.

1. The following paragraph is added to the end of Item 3 of the Disclosure Document:  
Neither franchisor nor any person or franchise broker in Item 2 of this disclosure document 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 persons from membership in that association or exchange.
2. The following paragraph is added to the end of Item 5 of the Disclosure Document:  
  
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 requirement for us to maintain a surety bond under California Corporations Code section 31113 and 10 C.C.R. section 310.113.5, which must remain in effect until the Department lifts this requirement. The surety bond is in the amount of \$1,885,128.00 with Indemnity National Insurance Company and is available for you to recover your damages in the event we do not fulfill our obligations to you to open your franchised business. We will provide you with a copy of the surety bond upon request.
3. The following paragraph is added to the end of Item 6 of the Disclosure Document:

With respect to the Late Fee described in Item 6, this Item is amended to disclose that the maximum rate of interest permitted under California law is 10%.

4. The following paragraphs are added at the end of Item 17 of the Disclosure Document:  
The Franchise Agreement requires franchisee to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring a franchise to waive compliance with any provision of that law or any rule or order thereunder is void.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

The Franchise Agreement requires binding arbitration. The arbitration will occur in Maple Park, Illinois, with the costs being borne equally by Franchisor and Franchisee. 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 a franchise agreement restricting venue to a forum outside the State of California.

The Franchise Agreement requires application of the laws of Illinois. This provision may not be enforceable under California law.

5. The following paragraph is added to the Disclosure Document:

Under California law, an agreement between a seller and a buyer regarding the price at which the buyer can resell a product (known as vertical price-fixing or resale price maintenance) is illegal. Therefore, requirements on franchisees to sell goods or services at specific prices set by the franchisor may be unenforceable.

6. California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

## HAWAII ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Hawaii only, this Disclosure Document is amended as follows:

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

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.

Registered agent in the state authorized to receive service of process:

Commissioner of Securities  
335 Merchant Street  
Honolulu, Hawaii 96813

Registration of franchises or filings of offering circulars in other states. As of the date of filing of this Addendum in the State of Hawaii:

1. A franchise registration is effective or an offering circular is on file in the following states: \_\_\_\_\_

2. A proposed registration or filing is or will be shortly on file in the following states:

\_\_\_\_\_

3. No states have refused, by order or otherwise to register these franchises.
4. No states have revoked or suspended the right to offer these franchises.
5. The proposed registration of these franchises has not been withdrawn in any state.

## **ILLINOIS ADDENDUM TO DISCLOSURE DOCUMENT**

In the State of Illinois only, this Disclosure Document is amended as follows:

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction of venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

A Surety Bond has been obtained by Franchisor to assure its financial capability; the Bond is on file with the Office of the Illinois Attorney General. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

A Surety Bond has been obtained by Franchisor to assure its financial capability; the Bond is on file with the Office of the Illinois Attorney General. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

## MARYLAND ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Maryland only, this Disclosure Document is amended as follows:

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.

The following is added to Item 5:

Based upon the Franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Given this, Franchisor has posted a surety bond with the Maryland Securities Division.

The following is added to Item 17:

The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

You may bring an action under such law within three years after the grant of the franchise.

You have the right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.

The Franchise Agreement provides for termination upon bankruptcy of the franchisee. This provision may not be enforceable under federal bankruptcy law.

This Franchise Agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

## MINNESOTA ADDENDUM TO DISCLOSURE DOCUMENT

In the State of Minnesota only, this Disclosure Document is amended as follows:

- Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) 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 and (2) that consent to the transfer of the franchise will not be unreasonably withheld.
- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.
- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).
- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.
- The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, which states "No action may be commenced pursuant to this Section more than three years after the cause of action accrues."
- 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.

**THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL,**

**RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.**

**THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.**

## NEW YORK ADDENDUM TO DISCLOSURE DOCUMENT

In the State of New York only, this Disclosure Document is amended as follows:

1. 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 A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. 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. The following is added at 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. 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.

4. 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.

5. 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.

6. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

## **DISCLOSURES REQUIRED BY NORTH CAROLINA LAW**

**The State of North Carolina has not reviewed and does not approve, recommend, endorse or sponsor any business opportunity. The information contained in this disclosure has not been verified by the State. If you have any questions about this investment, see an attorney before you sign a contract or agreement.**

**If the seller fails to deliver the product(s), equipment or supplies necessary to begin substantial operation of the business within 45 days of the delivery date stated in your contract, you may notify the seller in writing and demand that the contract be cancelled.**

## NORTH DAKOTA ADDENDUM TO DISCLOSURE DOCUMENT

In the State of North Dakota only, this Disclosure Document is amended as follows:

THE SECURITIES COMMISSIONER HAS HELD THE FOLLOWING TO BE UNFAIR, UNJUST OR INEQUITABLE TO NORTH DAKOTA FRANCHISEES (NDCC SECTION 51-19-09):

1. Restrictive Covenants: Franchise disclosure documents that disclose the existence of covenants restricting competition contrary to NDCC Section 9-08-06, without further disclosing that such covenants will be subject to the statute.
2. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.
3. Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
4. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.
5. Applicable Laws: Franchise agreements that specify that they are to be governed by the laws of a state other than North Dakota.
6. Waiver of Trial by Jury: Requiring North Dakota Franchises to consent to the waiver of a trial by jury.
7. Waiver of Exemplary and Punitive Damages: Requiring North Dakota Franchisees to consent to a waiver of exemplary and punitive damage.
8. General Release: Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.
9. Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
10. Enforcement of Agreement: Franchise Agreements that require the franchisee 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.
11. Franchise Questionnaires and Acknowledgements: No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other

person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

## **RHODE ISLAND ADDENDUM TO DISCLOSURE DOCUMENT**

In the State of Rhode Island only, this Disclosure Document is amended as follows:

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.

Item 17, summary columns for (v) and (w) are amended to add the following:

Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside Rhode Island or requiring the application of the laws of a state other than Rhode Island is void as to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

## **VIRGINIA ADDENDUM TO DISCLOSURE DOCUMENT**

In the Commonwealth of Virginia only, this Disclosure Document is amended as follows:

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.

The following statements are added to Item 17(h):

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement do 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.

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to the franchisee under the franchise, that provision may not be enforceable.

Item 17(t) is amended to read as follows:

Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable.

**WASHINGTON ADDENDUM TO DISCLOSURE DOCUMENT**

(See Exhibit H for Washington Addendum to the Franchise Disclosure Document, Franchise Agreement, and Related Agreements)

**EXHIBIT H**  
**STATE ADDENDA TO FRANCHISE AGREEMENT**

**ILLINOIS RIDER TO FRANCHISE AGREEMENT**

This Rider amends the Franchise Agreement dated \_\_\_\_\_ (the “Agreement”), between RealClean Franchisor, LLC, a Florida limited liability company (“Franchisor”) and \_\_\_\_\_, a \_\_\_\_\_ (“Franchisee”).

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 of an agreement 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.

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.

A Surety Bond has been obtained by Franchisor to assure its financial capability; the Bond is on file with the Office of the Illinois Attorney General. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

Agreed to by:

FRANCHISEE:

\_\_\_\_\_

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

FRANCHISOR:

REALCLEAN FRANCHISOR, LLC

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

## INDIANA RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated \_\_\_\_\_ (the “Agreement”), between RealClean Franchisor, LLC, a Florida limited liability company (“Franchisor”) and \_\_\_\_\_, a \_\_\_\_\_ (“Franchisee”).

**1. Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Indiana Acts” means the Indiana Franchise Act and the Indiana Deceptive Franchise Practices Act.

**2. Certain Provisions Modified.** Any provision of the Agreement which would have any of the following effects is hereby modified to the extent required for the Agreement to be in compliance with the Indiana Acts:

(1) Requiring goods, supplies, inventories, or services to be purchased exclusively from the franchisor or sources designated by the franchisor where such goods, supplies, inventories, or services of comparable quality are available from sources other than those designated by the franchisor. However, the publication by the franchisor of a list of approved suppliers of goods, supplies, inventories, or services or the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by the franchisor does not constitute designation of a source nor does a reasonable right of the franchisor to disapprove a supplier constitute a designation. This subdivision does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by the franchisor.

(2) Allowing the franchisor to establish a franchisor-owned outlet engaged in a substantially identical business to that of the franchisee within the protected territory granted the franchisee by the franchise agreement; or, if no protected territory is designated, permitting the franchisor to compete unfairly with the franchisee within a reasonable area.

(3) Allowing substantial modification of the franchise agreement by the franchisor without the consent in writing of the franchisee.

(4) Allowing the franchisor to obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted to the franchisee.

(5) Requiring the franchisee to prospectively assent to a release, assignment, novation, waiver, or estoppel which purports to relieve any person from liability to be imposed by the Indiana Deceptive Franchise Practices Act or requiring any controversy between the franchisee and the franchisor to be referred to any person, if referral would be binding on the franchisee. This subsection (5) does not apply to arbitration before an independent arbitrator.

(6) Allowing for an increase in prices of goods provided by the franchisor which the franchisee had ordered for private retail consumers prior to the franchisee's receipt of an official price increase

notification. A sales contract signed by a private retail consumer shall constitute evidence of each order. Price changes applicable to new models of a product at the time of introduction of such new models shall not be considered a price increase. Price increases caused by conformity to a state or federal law, or the revaluation of the United States dollar in the case of foreign-made goods, are not subject to this subsection (6).

(7) Permitting unilateral termination of the franchise if such termination is without good cause or in bad faith. Good cause within the meaning of this subsection (7) includes any material violation of the franchise agreement.

(8) Permitting the franchisor to fail to renew a franchise without good cause or in bad faith. This chapter shall not prohibit a franchise agreement from providing that the agreement is not renewable upon expiration or that the agreement is renewable if the franchisee meets certain conditions specified in the agreement.

(9) Requiring a franchisee to covenant not to compete with the franchisor for a period longer than three years or in an area greater than the protected area granted by the franchise agreement or, in absence of such a provision in the agreement, an area of reasonable size, upon termination of or failure to renew the franchise.

(10) Limiting litigation brought for breach of the agreement in any manner whatsoever.

(11) Requiring the franchisee to participate in any (A) advertising campaign or contest; (B) promotional campaign; (C) promotional materials; or (D) display decorations or materials; at an expense to the franchisee that is indeterminate, determined by a third party, or determined by a formula, unless the franchise agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that the franchisee may be required to pay.

**3. Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

FRANCHISOR:

\_\_\_\_\_

REALCLEAN FRANCHISOR, LLC

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

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

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

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

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

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

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

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

## MARYLAND RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated \_\_\_\_\_ (the “Agreement”), between RealClean Franchisor, LLC, a Florida limited liability company (“Franchisor”) and \_\_\_\_\_, a \_\_\_\_\_ (“Franchisee”).

1. **Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Maryland Franchise Law” means the Maryland Franchise Registration and Disclosure Law, Business Regulation Article, §14-206, Annotated Code of Maryland.

2. **No Release of Liability.** Pursuant to COMAR 02-02-08-16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Law.

3. **Statute of Limitations.** Any provision of the Agreement which provides for a period of limitations for causes of action shall not apply to causes of action under the Maryland Franchise Law, Business Regulation Article, §14-227, Annotated Code of Maryland. Franchisee must bring an action under such law within three years after the grant of the franchise.

4. **Jurisdiction.** Notwithstanding any provision of the Agreement to the contrary, Franchisee does not waive its right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.

5. **No Waiver of State Law.** All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

6. **Arbitration.** This Franchise Agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive trade practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

7. **Franchise Questionnaires and Acknowledgements.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

*[Signatures on the following page]*

Agreed to by:

FRANCHISEE:

\_\_\_\_\_

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

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

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

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

FRANCHISOR:

REALCLEAN FRANCHISOR, LLC

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

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

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

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

## MINNESOTA RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated \_\_\_\_\_ (the “Agreement”), between RealClean Franchisor, LLC, a Florida limited liability company (“Franchisor”) and \_\_\_\_\_, a \_\_\_\_\_ (“Franchisee”).

1. **Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The “Minnesota Act” means Minnesota Statutes, Sections 80C.01 to 80C.22.

2. **Amendments.** The Agreement is amended to comply with the following:

- Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) 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 and (2) that consent to the transfer of the franchise will not be unreasonably withheld.
- The franchisor will protect the franchisee’s rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair to not protect the franchisee’s right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).
- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.
- The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5, and therefore the applicable provision of the Agreement is amended to state “No action may be commenced pursuant to Minnesota Statutes, Section 80C.17 more than three years after the cause of action accrues.”
- No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of

(i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**3. Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

\_\_\_\_\_

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

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

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

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

FRANCHISOR:

REALCLEAN FRANCHISOR, LLC

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

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

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

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

**NEW YORK RIDER TO FRANCHISE AGREEMENT**

This Rider amends the Franchise Agreement dated \_\_\_\_\_ (the “Agreement”), between RealClean Franchisor, LLC, a Florida limited liability company (“Franchisor”) and \_\_\_\_\_, a \_\_\_\_\_ (“Franchisee”).

**1. Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

**2. Waivers Not Required.** Notwithstanding any provision of the Agreement to the contrary, Franchisee is not required to assent to a release, assignment, novation, waiver or estoppel which would relieve Franchisor or any other person from any duty or liability imposed by New York General Business Law, Article 33.

**3. Waivers of New York Law Deleted.** Any condition, stipulation, or provision in the Agreement purporting to bind Franchisee to waive compliance by Franchisor with any provision of New York General Business Law, or any rule promulgated thereunder, is hereby deleted.

**4. Governing Law.** Notwithstanding any provision of the Agreement to the contrary, the New York Franchises Law shall govern any claim arising under that law.

**5. Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

\_\_\_\_\_

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

FRANCHISOR:

REALCLEAN FRANCHISOR, LLC

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

## NORTH DAKOTA RIDER TO FRANCHISE AGREEMENT

This Rider amends the Franchise Agreement dated \_\_\_\_\_ (the “Agreement”), between RealClean Franchisor, LLC, a Florida limited liability company (“Franchisor”) and \_\_\_\_\_, a \_\_\_\_\_ (“Franchisee”).

1. **Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

2. **Amendments.** The Agreement (and any Guaranty Agreement) is amended to comply with the following:

- (1) **Restrictive Covenants:** Every contract by which Franchisee, any Guarantor, or any other person is restrained from exercising a lawful profession, trade, or business of any kind is subject to NDCC Section 9-08-06.
- (2) **Situs of Arbitration Proceedings:** Franchisee and any Guarantor are not required to agree to the arbitration of disputes at a location that is remote from the site of Franchisee’s business.
- (3) **Restrictions on Forum:** Franchisee and any Guarantor are not required to consent to the jurisdiction of courts outside of North Dakota.
- (4) **Liquidated Damages and Termination Penalties:** Franchisee is not required to consent to liquidated damages or termination penalties.
- (5) **Applicable Laws:** The Agreement (and any Guaranty Agreement) is governed by the laws of the State of North Dakota.
- (6) **Waiver of Trial by Jury:** Franchisee and any Guarantor do not waive a trial by jury.
- (7) **Waiver of Exemplary and Punitive Damages:** The parties do not waive exemplary and punitive damages.
- (8) **General Release:** Franchisee and any Guarantor are not required to sign a general release upon renewal of the Agreement.
- (9) **Limitation of Claims:** Franchisee is not required to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
- (10) **Enforcement of Agreement:** The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney’s fees.
- (11) **Franchise Questionnaires and Acknowledgements:** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any

claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**3. Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

\_\_\_\_\_

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

FRANCHISOR:

REALCLEAN FRANCHISOR, LLC

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

**RHODE ISLAND RIDER TO FRANCHISE AGREEMENT**

This Rider amends the Franchise Agreement dated \_\_\_\_\_ (the “Agreement”), between RealClean Franchisor, LLC, a Florida limited liability company (“Franchisor”) and \_\_\_\_\_, a \_\_\_\_\_ (“Franchisee”).

**1. Definitions.** Capitalized terms used but not defined in this Rider have the meanings given in the Agreement.

**2. Jurisdiction and Venue.** Any provision of the Agreement restricting jurisdiction or venue to a forum outside the State of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under Rhode Island Franchise Investment Act.

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

**4. Effective Date.** This Rider is effective as of the Effective Date.

Agreed to by:

FRANCHISEE:

\_\_\_\_\_

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

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

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

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

FRANCHISOR:

REALCLEAN FRANCHISOR, LLC

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

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

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

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

## **WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT**

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation.** 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.

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** 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 provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** 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.

16. **Questionnaires and Acknowledgments.** 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.

1. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

A surety bond in the amount of \$100,000 has been obtained by the franchisor. The Washington Securities Division has made the issuance of the franchisor’s permit contingent upon the franchisor maintaining surety bond coverage acceptable to the Administrator until (a) all Washington franchisees have (i) received all initial training that they are entitled to under the franchise agreement or offering circular, and (ii) are open for business; or (b) the Administrator issues written authorization to the contrary.

In Section 13.2(b) of the Franchise Agreement, the term “fifty (50)” is deleted and replaced with “twenty-five (25).”

**WASHINGTON ADDENDUM  
TO THE FRANCHISE AGREEMENT AND ALL RELATED AGREEMENTS**

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws**. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights**. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation**. 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.

4. **General Release**. A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial**. Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. **Transfer Fees**. Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee**. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** 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 provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** 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.

16. **Questionnaires and Acknowledgments.** 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.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

A surety bond in the amount of \$100,000 has been obtained by the franchisor. The Washington Securities Division has made the issuance of the franchisor’s permit contingent upon the franchisor maintaining surety bond coverage acceptable to the Administrator until (a) all Washington franchisees have (i) received all initial training that they are entitled to under the franchise agreement or offering circular, and (ii) are open for business; or (b) the Administrator issues written authorization to the contrary.

In Section 13.2(b) of the Franchise Agreement, the term “fifty (50)” is deleted and replaced with “twenty-five (25).”

Agreed to by:

FRANCHISEE:

\_\_\_\_\_

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

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

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

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

FRANCHISOR:

REALCLEAN FRANCHISOR, LLC

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

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

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

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

**EXHIBIT H**

**SAMPLE EQUIPMENT SALES AGREEMENT**

## EQUIPMENT SALES AGREEMENT

THIS EQUIPMENT SALES AGREEMENT is made on \_\_\_\_\_, 20\_\_\_\_, by REALCLEAN FRANCHISOR, LLC, a Florida limited liability company (hereinafter known as “Seller”) and [Franchisee], a \_\_\_\_\_ (hereinafter known as “Buyer”). Buyer and Seller shall collectively be known herein as “the Parties”.

### BACKGROUND

WHEREAS, Buyer and Seller are parties to a Franchise Agreement, dated \_\_\_\_\_ (the “Franchise Agreement”) for the operation of a RealClean franchise in \_\_\_\_\_;

WHEREAS, Seller desires to sell the equipment described below, known herein as the “Acquired Equipment”, under the terms and conditions set forth below;

WHEREAS, Buyer desires to purchase the Acquired Equipment offered for sale by Seller under the terms and conditions set forth below; and, therefore,

### TERMS AND CONDITIONS

IN CONSIDERATION of the mutual promises and other valuable consideration exchanged by the Parties as set forth herein, the Parties, intending to be legally bound, hereby agree as follows:

#### 1. Description of Acquired Equipment.

The following vehicle (and all equipment within or attached to such vehicle):

Cargo Van 3500 High Roof w/Knap Shelving and Graphics Package

Opening Equipment and Tools

#### 2. Purchase Price. The total purchase price to be paid by Buyer to Seller for the Acquired Equipment is \_\_\_\_\_ (“Purchase Price”).

Payment is to be made by Buyer to Seller in cash, by certified funds, financed under the terms of a commercial finance agreement, or through another instrument acceptable to Seller. Buyer must receive permission in advance from Seller for use of a non-certified funds in payment of the Purchase Price.

#### 3. Delivery of Acquired Equipment and Conveyance of Title.

(a). Delivery of Acquired Vehicle. Seller shall deliver the Acquired Equipment, and Buyer shall take possession of same, at Seller's premises or other premises as designated by Seller (either in person or through a third party) on or before that date that is within 10 days of the date hereof (“Delivery Date”). If delivery is to be made at a date after the execution of this contract, it is Seller's

duty to ensure that the Acquired Equipment is delivered in the same condition as when last inspected by the Buyer (or, if no Buyer inspection, the execution date of this agreement). It is Buyer's duty, either in person or through a third party to appear at Seller's premises during standard business hours on or before the Delivery Date to remove the Acquired Equipment from Seller's premises. However, if Buyer fails to appear at Seller's premises on or before the Delivery Date to accept possession of the Acquired Equipment, then risk of loss passes to the Buyer on the Delivery Date.

(b). Conveyance of Title. Seller shall convey title to Buyer upon delivery of the equipment to Buyer, which shall not occur until payment is made in full. Seller agrees and covenants to execute all documents presented by Buyer which are necessary to finalize transfer of title and registration upon the Acquired Equipment to Buyer.

#### **4. Representations, Warranties, and Disclosures.**

(a) Warranties.

THIS EQUIPMENT IS SOLD "AS IS", AND SELLER DOES NOT IN ANY WAY, OTHER THAN PARAGRAPH A §§ 1-7 ABOVE, EXPRESSLY OR IMPLIEDLY, GIVE ANY WARRANTIES TO BUYER. SELLER EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE.

\_\_\_\_\_  
Buyer Initials

(b) Odometer Declaration. Seller hereby states that the odometer in the Acquired Equipment (if such equipment has an odometer) now reads as indicated above and, to the best of Seller's knowledge, it reflects the actual mileage of the equipment described herein.

(c) Buyer Representation. The individual signing this agreement on behalf of Buyer hereby represents to Seller that he or she has the power and authority to do so on behalf of Buyer.

**5. Right to Repurchase.** Seller, or its designee, has an option to purchase the business from Buyer, including but not limited to any or all of the physical assets of the Seller, including its equipment, supplies and inventory, during a period of sixty (60) days following the effective date of termination. If Seller notifies Buyer that it (or its designee) wishes to purchase the assets of the business from Buyer following Termination of the Franchise Agreement, Buyer must immediately surrender possession of the Seller to Seller or Its designee upon demand. Seller or its designee will operate the Seller at its expense pending determination of the purchase price as set forth below. The equipment, supplies, and inventory will be valued as follows:

- iii. The lower of depreciated value or fair market value of the equipment supplies and inventory; and

- iv. Depreciated value of other tangible personal property calculated on the straight-line method over a five (5) year life, less any liens or encumbrances.

Seller must send written notice to Buyer within thirty (30) days after termination of this Agreement of its (or its designee s) election to exercise the option to purchase. If the parties do not agree on a price within the option period, the option period may be extended for up to fifteen (15) business days to permit appraisal by an independent appraiser who is mutually satisfactory to the parties. If the parties fail to agree upon an appraiser within the specified period, each will appoint an appraiser and the two appraisers thus appointed must agree on a third appraiser within ninety (90) days after termination who must determine the price for the physical assets of the Seller in accordance with the standards specified above. This determination will be final and binding upon both Seller, or Seller's designee, as applicable, and Buyer.

Seller or its designee may exclude from the assets appraised any signs, equipment, inventory, and materials that are not reasonably necessary (in function or quality) to the operation of the Seller, or that Seller has not approved as meeting Seller's then-current standards, the purchase price determined by the appraisal will reflect such exclusions (the "Purchase Price").

The Purchase Price shall be paid at a closing date not later than ninety (90) days after determination. Seller has the right to offset against the Purchase Price any and all amounts that Buyer owe Seller and/or its affiliates or related parties. At closing, Buyer agree to deliver instruments transferring (i) good and marketable title to the assets purchased, free and clear of all liens and encumbrances, with all sales and transfer taxes paid by Buyer; (ii) all licenses and permits related to the business which can be assigned, (iii) a release agreement signed by Buyer in a form and substance acceptable to Seller, and (iv) such other documentation as Seller may reasonably request.

**6. Buyer's Responsibility – Insurance, Tags and Inspections.** Buyer acknowledges that unless prohibited by applicable law, any insurance coverage, license, tags, plates or registration maintained by Seller on the Acquired Equipment shall be canceled upon delivery of the Acquired Equipment to, and the acceptance of, by Buyer. Buyer shall inspect and test all equipment and vehicles delivered under this agreement including the inspection of all workmanship performed by installation contractors, vehicle outfitters and other parties that performed any work on the conveyed equipment and vehicle. Buyer accepts full responsibility for the condition, effectiveness, appropriateness, and use of the conveyed equipment and vehicle. Buyer must inform Seller of any discovered problems or inspection failure prior to taking delivery of vehicle, and provide Seller at least 7 days to cure any flaw, at Seller's own expense. Upon acceptance of delivery, Buyer acknowledges compliance with these requirements and waives all rights of claim against Seller and agrees to indemnify Seller against all claims resulting from the ownership or use of conveyed equipment and vehicles. Buyer agrees to ensure through due diligence and through its own inspection, assisted by professionals as it sees fit, that all equipment and vehicles comply with all applicable laws, regulations and rules including any weight and engineering requirements.

\_\_\_\_\_  
Buyer's Initials

**7. Continuation of Representations and Warranties.** All representations and warranties contained in this Agreement (if any) shall continue in full force and effect after execution of this agreement. If either party later learns that a warranty or representation that it made is untrue, it is under a duty to promptly disclose this information to the other party in writing. No representation or warranty contained herein shall be deemed to have been waived or impaired by any investigation made by or knowledge of the other party to this Agreement.

**8. Indemnification of Attorneys' Fees and out-of-pocket costs.** Should any party materially breach this agreement (including representations and warranties made to the other side), the non-breaching party shall be indemnified by the breaching party for its reasonable attorneys' fees and out-of-pocket costs which in any way relate to, or were precipitated by, the breach of this contract (including the breach of representations or warranties). This provision shall not limit in any way the remedies either party may have otherwise possessed in law or equity relative to a breach of this contract. The term "out- of-pocket costs", as used in this contract, shall not include lost profits.

**9. Severability.** In the event any provision of this Agreement is deemed to be void, invalid, or unenforceable, that provision shall be severed from the remainder of this Agreement so as not to cause the invalidity or unenforceability of the remainder of this Agreement. All remaining provisions of this Agreement shall then continue in full force and effect. If any provision shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope and breadth permitted by law.

**10. Modification.** Except as otherwise provided in this document, this agreement may be modified, superseded, or voided only upon the written and signed agreement of the Parties. Further, the physical destruction or loss of this document shall not be construed as a modification or termination of the agreement contained herein.

**11. Acknowledgements.** Each party acknowledges that he or she has had an adequate opportunity to read and study this Agreement, to consider it, to consult with attorneys if he or she has so desired.

**12. Exclusive Jurisdiction for Suit in Case of Breach.** The Parties, by entering into this agreement, submit to jurisdiction in Maple Park, Illinois for adjudication of any disputes and/or claims between the parties under this agreement. Furthermore, the parties hereby agree that the courts which have jurisdiction over Maple Park, Illinois shall have **exclusive** jurisdiction over any disputes between the parties relative to this agreement, whether said disputes sound in contract, tort, or other areas of the law.

**13. State Law.** This Agreement shall be interpreted under, and governed by, the laws of the State of Florida.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF and acknowledging acceptance and agreement of the foregoing,  
Seller and Buyer affix their signatures hereto.

**SELLER**

By:

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

Authorized Officer for Seller

Date: \_\_\_\_\_, 20\_\_

**BUYER**

By:

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

Authorized Officer for Buyer

Date: \_\_\_\_\_, 20\_\_

## STATE EFFECTIVE DATES

The following States require that the Franchise Disclosure Document be registered or filed with the State, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

<b>State</b>	<b>Effective Date</b>
California	December 31, 2025
Hawaii	N/A
Illinois	Pending
Indiana	January 19, 2025
Maryland	December 11, 2025
Michigan	January 22, 2025
Minnesota	September 24, 2025
New York	December 18, 2025
North Dakota	Pending
Rhode Island	May 28, 2025
South Dakota	January 22, 2025
Virginia	September 3, 2025
Washington	Pending
Wisconsin	January 20, 2025

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

## RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If RealClean Franchisor, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that you be given this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of any franchise or other agreement, or payment of any consideration that relates to the franchise relationship.

If RealClean Franchisor, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and any applicable state agency (which are listed in Exhibit A).

The name, principal business address, and telephone number of each franchise seller offering the franchise is:

Name	Principal Business Address	Telephone Number
Lucas Goucher	107 Center Street, P.O. Box 100 Maple Park, Illinois 60151	815-508-6732
Dennis "Dustin" Zeitler	107 Center Street, P.O. Box 100 Maple Park, Illinois 60151	630-862-4519

Issuance Date: May 1, 2025

I received a disclosure document dated May 1, 2025 that included the following Exhibits:

- A. State Administrators and Agents for Service of Process
- B. Franchise Agreement (with Guaranty and Non-Compete Agreement)
- C. Form of General Release
- D. Financial Statements
- E. Operating Manual Table of Contents
- F. Current and Former Franchisees
- G. State Addenda to Disclosure Document
- H. State Addenda to Franchise Agreement
- I. Sample Equipment Sales Agreement

Signature: \_\_\_\_\_

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

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

**Keep This Copy For Your Records**

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- G. State Addenda to Disclosure Document
- H. State Addenda to Franchise Agreement
- I. Sample Equipment Sales Agreement

Signature: \_\_\_\_\_

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

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

**Return this copy to us.**  
**RealClean Franchisor, LLC**  
**107 Center Street, P.O. Box 100, Maple Park, Illinois 60151**