

## THE FRANCHISE RELATIONSHIP

Provision	Section in franchise or other agreement	Summary
l. Franchisor approval of transfer by franchisee	Section 21	We have the right to approve all transfers of the Franchised Business or any customers, which approval will not be unreasonably withheld.
m. Conditions for franchisor approval of transfer	Section 21	Conditions include: our written consent, no defaults, qualified and trained transferee, payment of transfer fee, and execution of new Franchise Agreement, general release, Non-Competition Agreement, and other documents.
n. Franchisor's right of first refusal to acquire franchisee's business	None	Not Applicable
o. Franchisor's option to purchase franchisee's business	Section 23	We have the right to purchase some or all of the franchised business's customers.
p. Death or disability of franchisee	Section 22	Our conditions for approval of transfer apply.
q. Non-competition covenants during the term of the franchise	Section 18	During the Term of this Agreement and any Successor Term, franchisee shall not, without the prior written consent of Coverall, directly or indirectly, engage in, or acquire any financial interest in (either as an individual, principal, owner, agent, employee, partner, stockholder, or director) any business which performs commercial janitorial and related commercial cleaning and maintenance services, or engages in the franchising of commercial cleaning businesses, or any related business anywhere in the Area ( <u>subject to applicable state law</u> ). Franchisee shall not divert any customer of its Franchised Business to another entity, whether or not that entity is directly or indirectly controlled by Franchisee, unless Franchisee obtains Coverall's written consent ( <u>subject to applicable state law</u> ).
r. Non solicitation covenants after the franchise is terminated or expires	Section 18	Prohibits solicitation, either directly or indirectly, or servicing of any customer repurchased by Coverall or another Coverall franchised business for a period of 18 months following the date of repurchase- ( <u>subject to applicable state law</u> ).
s. Modification of the agreement	Section 29	No modifications except in writing by all parties.
t. Integration/merger clause	Section 28	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any other promises may not be enforceable. Nothing in the Franchise Agreement is intended to disclaim the representations Coverall made in the Franchise Disclosure Document that Coverall furnished to you.
u. Dispute resolution by arbitration or mediation	Section 24 and 25	Informal dispute resolution by non-binding mediation (Section 24). Mandatory arbitration (Section 25).
v. Choice of forum	None	
w. Choice of law	Section 27	State in which franchise granted is located

**AMENDMENT TO COVERALL NORTH AMERICA, INC.  
TO THE FRANCHISE DISCLOSURE DOCUMENT  
REQUIRED BY THE STATE OF MINNESOTA**

- (1) Item 13 is amended to add the following:

We protect your right to use the Marks or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks.

- (2) Item 17 of this disclosure document is modified to include the following paragraphs at the end of the chart:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Chapter 80C.14, subds. 3, 4 and 5, which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of the franchise agreement.

Minn. Stat. Chapter 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or franchise agreement can abrogate or reduce any of your rights as provided for in Minnesota Franchises Act, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

- (3) The franchise agreement and any document signed in connection with the franchise are supplemented with the following language: 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 by any franchisor, franchise seller, or other person acting on behalf of 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.**