

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 permits you to resolve disputes with the franchisor only by arbitration in DuPage County, Illinois. Out-of-state arbitration may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate with the franchisor in DuPage County, Illinois than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.
3. **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.

Type of Fee	Amount	Due Date	Remarks
Additional Business Fees (AB-Fees)	1.5 times the gross monthly billings of the Additional Business	Payable in full at the time of the assumption of the Account	This fee applies only if you elect to purchase Additional Business from us. See Note 2 below. A commission fee is payable for each assignment and assumption of all Additional Business we obtain for you. Supplies and Day Porters are not included.
Lead Generation Fees	\$150 per lead	When billed	Only payable if you request us to provide you leads for potential clients
Software User License Fee	\$25 to \$100 per month per licensed user	Payable by invoice, within thirty (30) days of receipt of same by you	If your Gross Revenues are less than \$5,000 per month, you pay \$25 per month for the software license. If your Gross Revenues are greater than \$5,000 per month, or if you service national accounts, you pay \$100 per month per user for the software license.
Liquidated Damages for Premature Termination	Equal to the total of all Royalty Fees and Advertising Contributions for the 36 calendar months of operation of the Image One Affiliate Franchise before your default	Lump sum payment after default	If termination is the result of your default, you will pay to us a lump sum payment (as liquidated damages for causing the premature termination of this Agreement and not as a penalty) equal to the total of all Royalty Fees and Advertising Contributions for: (i) the 36 calendar months of operation of the Image One Affiliate Franchise before your default; (ii) the period of time the Image One Affiliate Franchise has been in operation before the notice, if less than 36 calendar months, projected on a 36-calendar month basis; or (iii) any shorter period as equals the unexpired Term at the time of termination.
Retraining Fees	The then-current fee as set by us. Currently we We charge \$500 per session per person for Retraining plus all travel meals and lodging costs if training is held at your location.	Within 20 days.	If you receive unsatisfactory inspection reports from us and fail to promptly remedy the deficiencies, or if you fail to attend our annual convention, we may require you and designated employees to attend refresher training as soon as reasonably possible. You are solely responsible for the retraining fee as well as all travel, meals and lodging costs of your attendees. If you fail the Image One Training Program, you must attend retraining classes in the areas the training officer feels are necessary for you to successfully complete the Image One

Type of Fee	Amount	Due Date	Remarks
			Training Program. If you lose a Client due to non-performance or Client dissatisfaction and we deem it in your best interest for you to attend retraining classes, retraining in the areas of deficiency will be required.
Deficiencies	Actual cost to us	Immediately upon receipt of invoice.	If you do not satisfy your obligations under the Franchise Agreement, we may perform your obligations for you. You must reimburse us for our costs in performing your obligations.
Transfer Fee	The greater of \$5,000 or 10% of the sales price	At the time of transfer.	Upon a transfer, you or your buyer must pay a Transfer Fee. If the transferee is your spouse or child, no Transfer Fee will be charged, but a reasonable administrative fee (currently \$ (\$250) will be charged.
Liquidated Damages for Sale of Prohibited Products or Services	\$100 per day that unauthorized products or services are offered	Immediately upon receipt of invoice.	You agree that the offer to sell or the sale of unauthorized or prohibited products and services will result in damages to us, those damages you agree to be measured as being \$100 for each day of the prohibited offer or sale.
Audit	Cost of examination or audit, including charges of independent accountants and travel expenses, room and board, compensation of our employees.	30 days after billing	If audit is necessary due to your failure to furnish reports or if audit shows an under-reporting of 2% or more of Gross Revenues.
Indemnity	Actual cost to us	Immediately upon receipt of invoice.	You indemnify and hold us harmless from all damages (including reasonable attorneys' fees and costs, even if incident to appellate, post-judgment or bankruptcy proceedings), from claims brought by third parties involving your ownership or operation of your Image One Franchise. This indemnity obligation continues in full effect after the expiration or termination of your Franchise Agreement.
Enforcement Costs	Actual cost to us	Immediately upon receipt of invoice.	If any legal action or other proceeding is begun for the enforcement of your Franchise Agreement, or because of an alleged dispute, breach, default or misrepresentation under any provision of

Provision	Section in Franchise Agreement	Summary
		transfer.
n. Franchisor's rights of first refusal to acquire Franchisee's business	Not Applicable	We have no right of first refusal to purchase your Affiliate Franchise.
o. Franchisor's option to purchase Franchisee's business	Not Applicable	We have no right to purchase your Affiliate Franchise.
p. Death or disability of Franchisee	Section 10.3	You must; <ol style="list-style-type: none"> 1. Provide a replacement manager satisfactory to us; and 2. Upon your death, Image One Affiliate Franchise must be transferred within 6 months of your death in accordance with the transfer provisions of your Affiliate Franchise Agreement.
q. Non-competition covenants during the term of the franchise	Subsection 13.1(a)	You <u>Subject to applicable state law, you may not:</u> <ol style="list-style-type: none"> 1. Influence any of our business affiliates to modify their relationship with us; 2. Have any involvement with any Competitive Business; 3. Solicit or accept orders from Clients currently being serviced by another IMAGE ONE Affiliate Franchisee or Unit Franchisee; or 4. Interfere with our business or any of our other franchisees. 4. <u>Subject to applicable state law.</u>
r. Non-competition covenants after the franchise is terminated or expires ⁽³⁾	Subsection 13.1(b)	You <u>Subject to applicable state law, you may not, for 24 months after the end of your Affiliate Franchise Agreement:</u> <ol style="list-style-type: none"> 1. Influence any of our business affiliates to modify their relationship with us; 2. Have any involvement with any Competitive Business; 3. Solicit or accept orders from Clients currently being serviced by another IMAGE ONE Affiliate Franchisee or Unit Franchisee; or 4. Interfere with our business or any of our other franchisees. 4. <u>Subject to applicable state law.</u>
s. Modification of the agreement	Sections 6.3, 18.2 and 18.3	Your Affiliate Franchise Agreement may not be modified without the consent of both you and us except: <ol style="list-style-type: none"> 1. We may change the contents of the Manuals; 2. We may modify the System; and 3. A court may modify any provision of

**ILLINOIS ADDENDUM TO IMAGE ONE FACILITY SOLUTIONS, INC.
FRANCHISE DISCLOSURE DOCUMENT**

The Image One Facility Solutions, Inc. Franchise Disclosure Document for use in the State of Illinois is modified in accordance with the following:

1. ~~The following Special Risk is added to the State Cover Pages:~~

~~**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.~~

~~2.1.~~ Items 5 and 7 of the Franchise Disclosure Document are amended by the additional of the following language to the original language that appears therein:

“Notwithstanding anything to the contrary contained in this Franchise Disclosure Document, the Initial Affiliate Franchise Fee is deferred and not payable to Franchisor until Franchisor's initial obligations to the Franchisee have been completed and the Franchisee has commenced business under this Agreement. This deferral is imposed by the Illinois Attorney General's Office based on the Franchisor's financial condition. The Franchise Fee is non-refundable.”

~~3.2.~~ The following are added to the Franchise Disclosure Document:

Illinois law governs the franchise agreements.

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.

Franchisee's rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

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, franchisee

**ILLINOIS ADDENDUM TO IMAGE ONE FACILITY SOLUTIONS, INC.
FRANCHISE AGREEMENT**

This Addendum to the Franchise Agreement is agreed to on _____ (date), between Image One Facility Solutions, Inc. ("Franchisor") and _____ ("Franchisee") to amend and revise the Franchise Agreement dated _____, 20____, in the following respects:

1. Paragraph 3.1(a) is modified to add the following:

Notwithstanding anything to the contrary contained in this Agreement, the Initial Affiliate Franchise Fee is deferred and not payable to Franchisor until Franchisor's initial obligations to the Franchisee have been completed and the Franchisee has commenced business under this Agreement. This deferral is imposed by the Illinois Attorney General's Office based on the Franchisor's financial condition. The Franchise Fee is non-refundable.

- ~~2. Section 15.4 of the Franchise Agreement is hereby modified by adding the following paragraph:~~

~~"Nothing contained in Section 15.4 of the Franchise Agreement shall constitute a waiver under the Illinois Franchise Disclosure Act."~~

- ~~3. Paragraph 18.24 (waiver of punitive damages) is hereby modified by adding the following to the end thereof:~~

~~However, the waiver in this paragraph 18.24 relating to punitive damages shall not apply to the extent prohibited by Section 705/41 of the Illinois Franchise Disclosure Act of 1987 or Illinois Regulations at Section 200.609.~~

- ~~3.2.~~ The following provisions are added to the Franchise Agreement and replace any provisions that are in conflict with the following:

Illinois law governs the franchise agreements.

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.

Franchisee's rights upon termination and non-renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

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

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective as of the date first above written.

Franchisor:
Image One Facility Solutions, Inc.
An Illinois corporation

Franchisee:
Corporate Signature

By: _____

By: _____

Title: _____

Title: _____

**ADDENDUM TO IMAGE ONE FACILITY SOLUTIONS, INC.
FRANCHISE AGREEMENT
For the State of Maryland**

This Addendum to the Franchise Agreement is agreed to on _____ (date), between Image One Facility Solutions, Inc. ("Franchisor") and _____ ("Franchisee") to amend and revise the Franchise Agreement dated _____, 20____, as follows:

1. Section 3.1(a) of the Franchise Agreement, Initial Affiliate Franchise Fee, is modified by the addition of the following language to the original language that appears therein:

"Based upon the franchisor's financial condition, the Maryland Securities Commission has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement."

2. Section 3.1(e) of the Franchise Agreement on Advertising Contributions is amended by the addition of the following language to the original language that appears therein:

"Franchisor will provide Franchisee with an annual accounting of the advertising fees collected."

3. Section 11.2.a of the Franchise Agreement on Termination by Franchisor for Cause is amended by the addition of the following language to the original language that appears therein:

"Termination upon bankruptcy of the Franchisor may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.)"

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- ~~5.4.~~ Article 15 of the Franchise Agreement on Representations and Warranties shall be amended by the addition of the following language to the original language that appears therein:

"The representations of this section 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."

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- ~~6.5.~~ Section 16.2 of the Franchise Agreement on Renewal, and Section 10.2 of the Franchise Agreement on Transfer by Franchisee are amended by the addition of the following language to the original language that appears therein:

"Any provision allowing Franchisee to execute a general release of any and all claims against Franchisor shall not apply to any liability under Maryland Franchise Registration and Disclosure Law."

7.6. Section 18.1 of the Franchise Agreement on Release of Claims is amended by the addition of the following language to the original language that appears therein:

"Any provision allowing Franchisee to execute a general release of any and all claims against Franchisor shall not apply to any liability under Maryland Franchise Registration and Disclosure Law."

8.7. Section 18.10 of the Franchise Agreement on Jurisdiction and Venue shall be amended by the addition of the following language to the original language that appears therein:

"Franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law."

8. Section 18.23 of the Franchise Agreement on Limitation of Claims shall be amended by the addition of the following language to the original language that appears therein:

"; provided, however, that the limitation of such claims shall not act to reduce the three (3) year statute of limitations afforded Franchisee for bringing a claim under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise."

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective as of the date first above written.

Franchisor:
Image One Facility Solutions, Inc.
An Illinois corporation

Franchisee:
Corporate Signature

By: _____

By: _____

Title: _____

Title: _____

"Minnesota Law prohibits franchisors from requiring its franchisees to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability. Therefore, Franchisee shall not be required to agree to subsequently execute a general release of any and all claims against Franchisor and its affiliates, their officers, directors, employees and agents."

"Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Franchise Disclosure Document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction."

5. 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.

**ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, THE FRANCHISE
AGREEMENT, THE DEVELOPMENT AGREEMENT AND ALL RELATED
AGREEMENTS FOR THE STATE OF WASHINGTON**

This Addendum is to the Franchise Disclosure Document, the Franchise Agreement, the Development Agreement and all related Agreements of Image One Facility Solutions, Inc. for the State of 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.

19. The undersigned does hereby acknowledge receipt of this addendum.

20. Exhibit I is not applicable for the State of Washington.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms, and agrees it shall become effective as of the date first above written.

Franchisor:
Image One Facility Solutions, Inc.
An Illinois corporation

Franchisee:
Corporate Signature

By: _____

By: _____

Title: _____

Title: _____

Exhibit H
[State of Wisconsin]