FRANCHISE DISCLOSURE DOCUMENT

Anago
CLEANING SYSTEMS

NO __________

MNBV Inc
a California Corporation
1911 Douglas Blvd, Suite 85
Roseville, CA 95661
(916) 782-3300
jesse@anagosac com
www AnagoSac com

Department of
Business Oversight
APR 26 2018
Sacramento Office

The franchisee operates a janitorial service cleaning business under the mark "Anago"

The total investment necessary to begin operation of an Anago® cleaning business ranges from $10,440 00 to $68,548 32 This includes the initial fees of $4,590 to $25,925 00 (cash) or $6,872 80 to over $32,348 32 (financed) that must be paid to the subfranchisor or an affiliate

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 subfranchisor 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 Jesse HammondMNBV, Inc , dba Anago of Sacramento, 1911 Douglas Blvd, Suite 85, Roseville, CA 95661, Phone (916) 782-3300

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 600 Pennsylvania Avenue NW , Washington D C 20580 You can also visit the FTC's homepage at www ftc gov for additional information Call your state agency or visit your public library for other sources on franchising

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

The date of issuance of this Disclosure Document is April 30, 2018

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT

Call the state franchise administrator listed in Exhibit A for information about MNBV, Inc , or about franchising in your state

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW

Please consider the following RISK FACTORS before you buy this franchise

1 THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN CALIFORNIA OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE

2 THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW, YOU MAY WANT TO COMPARE THESE LAWS

3 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

4 THE FRANCHISEE MUST PAY A ROYALTY FEE OF 10% OF MONTHLY GROSS REVENUES AND AN ADMINISTRATION FEEOF 3% OF GROSS MONTHLY REVENUES YOU ARE REQUIRED TO FORWARD TO THE ANAGO REGIONAL OFFICE ANY CLIENT PAYMENTS SENT OR GIVEN TO YOU DIRECTLY AFTER WE HAVE DEDUCTED AND PAID OURSELVES ROYALTY FEES, ADMINISTRATIVE FEES, ADVERTISING CONTRIBUTIONS, C-FEE AND OTHER AMOUNTS YOU OWE US UNDER THE FRANCHISE AGREEMENT, WE WILL REMIT THE BALANCE TO YOU IF THE CLIENTS YOU SERVICE DO NOT PAY, YOU SUFFER THE LOSS OF PAYMENT

5 THE FRANCHISE AGREEMENT CONTAINS PROVISIONS THAT LIMIT THE FRANCHISEE'S RIGHTS AND MAY NOT BE ENFORCEABLE IN CALIFORNIA INCLUDING BUT NOT LIMITED TO A WAIVER OF JURY TRIAL AND WAIVER OF PUNITIVE DAMAGES

We may use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise A franchise broker or referral source represents us, not you

We may pay this person a fee for selling our franchise or referring you to us You should be sure to do your own investigation of the franchise

Effective Date See next page for state Effective Dates

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, South Dakota, Rhode Island, Virginia, Washington and Wisconsin

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates

STATE	EFFECTIVE DATE
California	____________, 2018
Hawaii	Not Registered
Illinois	Not Registered
Indiana	Not Registered
Maryland	Not Registered
Michigan	Not Registered
Minnesota	Not Registered
New York	Not Registered
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	Not Registered
Washington	Not Registered
Wisconsin	Not Registered

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ITEM 1 - THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Franchise Disclosure Document (Subfranchisor – Single Unit) "We," "Our," "Us," the "Subfranchisor" or the "Company" means MNBV, Inc , a California Corporation "You" or the "Franchisee" means the person who buys the unit franchise from us If You are a corporation, partnership, limited liability company or other entity, "You" also includes Your owners The "Franchisor" or "AFI" *means* Anago Franchising, Inc

Under a Subfranchise Rights Agreement between AFI and Us (the "Subfranchise Rights Agreement"), AFI granted Us the right to offer subfranchises for Anago janitorial unit franchises in the Counties of Sacramento, Nevada, Placier, El Dorado, San Joaquin, Yolo, and Solano in the state of California

Many items of information in this Franchise Disclosure Document are stated twice where necessary, once for Us and separately for AFI This duplicate disclosure is required by federal regulations because We are a Subfranchisor You should be aware that We are an independent business from AFI, and operate under the Subfranchise Rights Agreement with AFI that obligates Us to adhere to various requirements that AFI establishes and modifies periodically AFI, however, does not guarantee the performance of Our obligations to You Your Unit Franchise Agreement is a contract solely between You and Us AFI has no liability to You

AFI and ACS

AFI is a Florida corporation, incorporated on February 15, 1995 Its principal address is 5203 NW 33rd Avenue, Fort Lauderdale, FL 33309 AFI grants to subfranchisors the right to sell unit franchises to operate a janitorial service business under the service mark "Anago " As of December 31, 2017, AFI has 40 subfranchises, 38 of which are located in the United States and 2 of which are located internationally Of the 40 subfranchises, 35 are operated by subfranchisees and 5 are operated by affiliates of AFI AFI does not sell unit franchises, like the one you will operate, directly to unit franchisees

AFI began selling Subfranchise rights in February 1995 AFI was formed for the purpose of offering and selling Anago franchises and for administering the Anago franchise System AFI does not do business nor does it offer franchises under any other name In addition, AFI has never operated businesses of the type being franchised by Us

Anago Cleaning Systems, Inc ("ACS") is a Florida corporation that was incorporated on December 5, 2000, and is the parent company of AFI ACS maintains its principal business address at 5203 NW 33rd Avenue, Fort Lauderdale, FL 33309 ACS owns the Proprietary Marks (as defined in Item 13), including the mark "Anago," and has granted a license to AFI to use and to sublicense the right to use the Proprietary Marks and other Proprietary Property ("Proprietary Property" means AFI's Our, or their or Our affiliates Proprietary Marks, Confidential Information (as defined in Item 14) and copyright information) ACS has never operated or offered franchises for the type of business you will operate, nor has it offered franchises in any other line of business

The Subfranchisor

The name of the Subfranchisor is MNBV, Inc We do business under the names MNBV, Inc , d/b/a "Anago of Sacramento" or Anago We do not do business under any other name We maintain Our principal business address at 1911 Douglas Blvd, Suite 85, Roseville, CA 95661 We are a California corporation We are a California Corporation formed in 2004

We offer and sell franchises to operate a janitorial services business using the Proprietary Marks (the "Unit Franchise"), and we provide services to franchisees as required under the Anago Unit Franchise Agreement, the current form of which is attached to this Disclosure Document as Exhibit B (the "Unit Franchise Agreement") AFI granted Us a license to use the Proprietary Marks and to sublicense the Proprietary Marks and the business system for operating an Anago janitorial services business (the "System") for franchises in the Counties of Sacramento, Nevada, Placier, El Dorado, San Joaquin, Yolo, and Solano in the state of California (the "Area") pursuant to Our Subfranchise Rights Agreement with AFI

We have been offering and selling franchises, and serving as Subfranchisor, under the name "Anago of Sacramento" in the Area since 2004 We do not operate any Unit Franchises We are not in any other line of business, except for the ownership, operation and sale of the type of franchise offered under this Franchise Disclosure Document Our agent for service of process in this state may be found on Exhibit A

Our Predecessors

We have no predecessors

Our Affiliates

We have no Affiliates that provide products or services to You or that offer franchises in any line of business

AFI's Predecessors

AFI's predecessor is Anago International, Inc (AII) AII's principal business address is 2211 NE 44th Street, Lighthouse Point, Florida 33064 AII was formed in 1989, and began offering franchises in 1991 AII operated businesses of the type We operate from 1989 to 1995 AII has offered franchises for the type of business You will operate, but it has not offered franchises in other lines of business AII is no longer in the Franchise business

AFI's Affiliates

As of December 31, 2017, AFI has 5 Affiliates (the "AFI Affiliates") that operate subfranchise businesses and directly sell unit franchises like the one you will operate The AFI Affiliates are as follows (i) Estrellita, Inc , d/b/a Anago of South Florida located at 5207 NW 33rd Ave, Ft Lauderdale, FL 33309 (ii) Jax04, Inc d/b/a Anago of Jacksonville located at 7563 Phillips Hwy, Building 300, Suite 301, Jacksonville, FL 32256, (iii) ILPC, Inc , d/b/a Anago of Greater Philadelphia located at 201 King of Prussia Road, Ste 650 Radnor, PA 19087, and (iv) CCTD, Inc , d/b/a Anago of Delaware located at 201 King of Prussia Road, Ste 650, Radnor, PA 19087 (v)

HSHL1, Inc , d/b/a Anago of Austin located at 1524 S Interstate 35, Ste 325, Austin, TX 78704 Neither the AFI Affiliates nor any other of AFI's affiliates provide products or services to You, nor have they offered franchises in any other line of business The AFI Affiliates do business under their corporate names, Anago and their respective d/b/a names

Except as disclosed in this Disclosure Document, AFI does not have any parents, predecessors or Affiliates offering franchises in any line of business or providing products or services to System Franchisees

Description of the Franchise

The business You will conduct is a janitorial service franchise (your "Business") You will sell the cleaning services and related products to commercial businesses and properties in a designated Area of operation under the "Anago" mark and in accordance with System standards and specifications All janitorial service contracts ("Accounts") will be between us and the client All payments made by a Client must be sent directly to Anago You may also negotiate various types of janitorial services and pricing with clients, however, if you do so using the Anago name, you must submit all information to the Regional Office and those accounts will be Anago clients and all client payments will be sent directly to Anago You may not sign on behalf of Anago for any janitorial service contracts

Industry Specific Regulations

There are no statutes or regulations specific to the janitorial industry known to us You are required to comply with all local, state and federal laws in the operation of Your Anago Franchise There may be other laws applicable to Your business and We urge You to make additional inquiries about these laws

Competition

You will have to compete with other businesses selling similar products and services Competitors include national chains, regional chains and independently owned commercial cleaning service providers This business is not seasonal and is specific to commercial janitorial services only

ITEM 2 - BUSINESS EXPERIENCE

Our Officers, Directors and Other Executives

Jesse Hammond, President

Mr Hammond became the President of MNBV, Inc in September 2014 He wasthe Director of Operations of MNBV, Inc since January 1, 2012 Mr Hammond was Manager of Operations for Patterson Dental office from January 2008 to December, 2011 Mr Hammond was a liaison between independent dental offices and Patterson Dental Mr Hammons was the Chief Operating Officer of the largest car wash chain in the Sacramento region

AFI's Officers, Directors and Other Executives

David R. Povlitz, CEO/Director

Mr Povlitz has been the Director of AFI since its formation in February 1995 and has served as the CEO of AFI since April 2015 He has also served as the President of ACS since its formation in December 2000 to April 2015 and currently serves as it's CEO from April 2015 to present He also serves as President, Director and CEO of Estrellita, Inc, d/b/a Anago of South Florida (1990 to present), and previously of ITTG, Inc d/b/a Anago of the Treasure Coast (2007 to May 2013) He currently serves as CEO of AFI's other Affiliates JAX04, Inc d/b/a Anago of Jacksonville (April 2015 – present), JCVB, LLC d/b/a Anago of Virginia Beach (April 2015 – present), HSHL1, Inc d/b/a Anago of Austin (July 2017 – present), ILPC, Inc d/b/a Anago of Greater Philadelphia (August 2017 – present), and CCTD, Inc, d/b/a Anago of Delaware (August 2017 – present) He previously served as CEO of AFI's other Affiliates TTAC, Inc d/b/a Anago of Atlanta (April 2015 – May 2017), HWGA04, Inc d/b/a Anago of Utah (February 2017 – November 2017) He also served as an Officer and Director of AFI's other Affiliates FHCC, Inc, d/b/a Anago of Phoenix (April 2009 to December 2014), TSRA, Inc d/b/a Anago of Atlanta (January 2009 to December 2013), ASLV, Inc d/b/a Anago of Utah (January 2009 to May 2013)

Adam D. Povlitz, President

Mr Povlitz joined AFI in September 2009 and has served as AFI's President since April 2015 From January 2013 to April 2015, he served as AFI's Executive Vice President, from September 2010 to January 2013, he was AFI's Vice President – Operations, and from January 2010 to September 2010, he served as AFI's Director of Human Resources / Franchise Development Mr Povlitz also serves as a Director of Estrellita, Inc d/b/a Anago of South Florida (January 2006 – present) He also serves as President and Director of AFI's other Affiliates ACS (April 2015 – present), JAX04, Inc d/b/a Anago of Jacksonville (April 2015 – present), JCVB, LLC d/b/a Anago of Virginia Beach (April 2015 – present), HSHL1, Inc d/b/a Anago of Austin (July 2017 – present), ILPC, Inc d/b/a Anago of Greater Philadelphia (August 2017 – present) and CCTD, Inc, d/b/a Anago of Delaware (August 2017 – present) He previously served as President of AFI's other Affiliates TTAC, Inc d/b/a Anago of Atlanta (April 2015 – May 2017), HWGA04, Inc d/b/a Anago of Utah (February 2017 – November 2017)

Terry Mollica, Director

Mr Mollica is the co-founder of AFI and ACS Since April 2015, he has served as a Director of ACS From April 2004 to April 2015, he served as AFI's President Mr Mollica also served as President and Director of the following AFI Affiliates FHCC, Inc, d/b/a Anago of Phoenix (April 2009 - December 2014), JCVB, LLC d/b/a Anago of Virginia Beach (July 2013 - April 2015), and JAX04, Inc d/b/a Anago of Jacksonville (April 1, 2014 - April 2015) He served as an Officer and Director of TSRA, Inc d/b/a Anago of Atlanta (January 2009 - December 2013), and ASLV, Inc d/b/a Anago of Utah (January 2009 - May 2013)

Judy Walker, CFE; Vice President - Marketing

Ms Walker has been AFI's Vice President of Marketing since February 2005

Lisa Ritenour, Vice-President – Internal Operations

Mrs Ritenour has served as AFI's Vice President – Internal Operations since January 2013 Previously, she served as AFI's Director of Financial Systems/Human Resource Manager from September 2012 to January 2013, and Compliance Banking Officer from January 2010 to September 2012 Mrs Ritenour has also serves as a Director of Estrellita, Inc d/b/a Anago of South Florida (January 2006 – present)

Juan Catoni – Vice President – Franchise Operations

Mr Catoni was appointed AFI's Vice President - Franchise Operations in December 2014 He joined Estrellita, Inc d/b/a Anago of South Florida in September 1995 and has held numerous positions, most recently as its Regional Director since 2002 Mr Catoni was also the Regional Director of our affiliate, ITTG, Inc d/b/a Anago of the Treasure Coast (2007 – May 2013)

Christopher Cunius, Senior Director – Franchise Development

Mr Cunius has served as AFI's Senior Director Franchise Operations since December 2014 Mr Cunius held the title of Vice President of Vanguard Cleaning Systems from January 2012 to October 2014 From May 2006 to December 2011 Mr Cunius held various Director and Senior Director positions in the Master Franchise Operations Department of Vanguard Cleaning Systems

Gioconda Morales - Franchise Development

Ms Morales joined AFI as a Franchise Developer in August 2014 From April 2014 to July 2014, Ms Morales was a sales general manager for Petrobras in Espirito Santo, Brazil Ms Morales was employed by Estrellita, Inc d/b/a Anago of South Florida from 2005 to March 2014 and held numerous positions with that Affiliate, most recently as its Assistant Regional Director (January 2009 - March 2014)

ITEM 3 - LITIGATION

Our Litigation

None

AFI's Litigation

Pending Actions

None

Prior Actions

Cury, et al v Anago Cleaning Systems, Inc , et al , (Case No CACE07-4299(02) (17th Cir , FL, filed February 27, 2007) James Miller and Christopher Cury, former shareholders of ACS, sued ACS, its officer, David Povlitz, and a former officer, Terry Mollica, in a shareholder's derivative action They sought damages and the appointment of a receiver for alleged mismanagement by the named officers, requested redemption of their stock, an accounting, and Mr Miller alleged he was owed under his employment agreement ACS denied the claims and filed a counterclaim against them for damages due to their defamation and Miller's breach of his employment agreement ACS also sought cancellation of their stock The parties settled their respective claims in May 2015, agreeing to voluntarily dismiss them

Anago Franchising, Inc v Shaz, LLC, et al, (Case No 10-cv-6227) (S D Fla, filed November 22, 2010) AFI sued former Utah master franchise Shaz, LLC, its affiliate ECO Building Services, LLC, and individual employees of Shaz, Eric Contreras, Scott Spurgiez, and Jasper Fauset for damages resulting from their breach of the settlement agreement previously entered into, rescission, fraudulent transfer, and tortious interference by the individual Defendants AFI alleged Defendants breached the agreement first by violating its confidentiality provision, thereby releasing AFI of any further obligation under the agreement Defendants filed a counterclaim seeking damages for breach of the agreement due to our alleged failure to make required payments, or for rescission The Court granted summary judgment in favor of Defendants, finding the confidentiality breach to be immaterial Final Judgment was entered against AFI on April 11, 2014, awarding damages in the amount of $141,949 11 AFI appealed the judgment and the appellate court affirmed the lower court's ruling

IMTN, Inc, Image One Facility Solutions, Inc, Myron L Schuchman and Timothy Conn v Anago Franchising, Inc (Case No 11CH10636) In the first quarter of 2013, the litigation between AFI and its Sub-Franchisees, IMTN and WTTM was settled wherein the Sub-Franchisees agreed to a certain premise and injunctive relief requiring that the Sub-Franchisees not use the Anago trademark, and Sub-Franchisees will refrain from using confidential intellectual property of AFI, including copyrighted materials in any manner

Betty Pickett d/b/a Pickett Cleaning Service v STBE, LLC, Scott Evans, Tracey Evans, Anago Franchising, Inc, and CCFH, Inc (Case No 10 CVS 21012), General Court of Justice, Superior Court Division, State of North Carolina, County of Wake On December 20, 2010, Betty Picket, a unit franchisee, initiated this action and asserted against AFI's Master Sub-Franchisor, its owners and AFI claims of breach of contract and unfair and deceptive trade practices AFI asserted lack of privity but chose to settle the matter without admission of wrongdoing and for an exchange of general releases and a payment to the plaintiff $10,500

Anago Franchising, Inc vs CHMI, Inc, et al, Case No 09-021643-11 (S D Fla, filed May 14, 2009) AFI sued Arizona master franchise CHMI, Inc, its affiliate CCFH, Inc, and its principals Raymond Derryberry and Cheri Derryberry for damages and an injunction for breaching their Subfranchise Rights Agreement, trademark infringement, unfair competition, and for reverse palming off AFI also foreclosed on the individual defendants' Promissory Note They filed a counterclaim seeking damages for declaratory judgment, breach of contract, violation of the implied covenant of good faith and fair dealing, and unfair trade practices On January 22, 2010, Final Judgment was entered in AFI's favor against each Defendant on all counts With the exception of its present operation in the State of Arizona, the Court enjoined Defendants from competing within five miles of AFI or any of its unit franchisees for a twenty-four month period, and from using AFI's marks or likeness In a separate settlement, CHMI, Inc also agreed to pay AFI $975,000 in compensation for the Arizona master territory

Anago Franchising, Inc v Shaz, LLC, et al, Case No 08-61445-CIV (S D Fla , filed September 10, 2008) AFI sued former Utah master franchise Shaz, LLC, and its affiliate ECO Building Services, LLC, seeking damages, and an injunction resulting from breach of their Subfranchise Rights Agreement, infringement of AFI's trademark, unfair competition, and violation of trade secret The defendant filed counterclaims seeking damages for breach of contract, wrongful termination, indemnification, violation of the implied covenant of good faith and fair dealing, and unfair and deceptive trade practices The case was settled on March 26, 2009, and a consent final judgment was entered in AFI's favor on all counts Defendant later moved to enforce the settlement agreement claiming that AFI was in breach, but the Court ruled in AFI's favor Defendant appealed the ruling and the appellate court remanded the case back to trial court to dismiss it for lack of jurisdiction

Other than these actions, no litigation is required to be disclosed in this Item

ITEM 4 - BANKRUPTCY

Our Bankruptcy

At this time there is no bankruptcy information required to be disclosed in this Item

AFI's Bankruptcy

At this time there is no bankruptcy information required to be disclosed in this Item

ITEM 5 - INITIAL FEES

Initial Fees

The Initial Fees for a single-unit Franchise ranges from $4,590 (if paid in cash) to over $32,348 32 (if financed) as shown in the table below You have the right to select any of the Programs listed in the table below, subject to availability The Initial Fees are payable to Us in full upon signing the Unit Franchise Agreement The Initial Fees are fully earned and non-refundable upon signing the Franchise Agreement The Initial Fees as stated below are uniform for all Franchisees that are offered franchises under this Disclosure Document

If you select a Program for which supplies and minor equipment are included as part of the Initial Fee (see the Initial Fees chart below) and you have all of the necessary supplies and minor equipment and they meet Our standards and specifications, then You will not be required to purchase such minor equipment and supplies from Us and We will provide You a credit towards the Initial Fees in the amount of the then current prices for the minor equipment and supply packages

We are members of the International Franchise Association and participate in the International Franchise Association's VetFran Program, which provides a 10% discount on initial franchise fees to veterans of the U S Armed Forces who otherwise meet the requirements of the VetFran Program

Referral Program for Franchisees

We currently operate a program where you can receive a referral fee ranging from $100 to $500 (depending on purchased program) in cash for referring a third party franchise prospect to us who ultimately becomes an Anago Franchisee You are authorized only to present a prospect with our informational brochure and to identify the prospect to our management, you are not authorized to act as our agent or franchise broker and are instructed not to provide any information to prospects other than our information brochure If you are entitled to receive a referral fee, notice will be given to the prospective franchisee receiving the FDD We retain the right in our sole discretion to modify or terminate this referral program at any time with or without notice

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INITIAL FEES CHART

	Gross	Initial	Initial Fee	Initial Fee	Down	Amount	Monthly	Financed
Package	Monthly	Offering	(Cash)	Financed	Payment	Financed	Payment	Price
	Billing[3]	Period[4]						
Program X[+]	$10,000	210 Days	25,925 00	30,500 00	23,500 00	7,000 00	184 34	32,348 32*
Program IX	$9,000	210 Days	23,800 00	28,000 00	21,000 00	7,000 00	184 34	29,848 32*
Program VIII	$8,000	180 Days	21,250 00	25,000 00	18,000 00	7,000 00	184 34	26,848 32*
Program VII[1]	$7,000	180 Days	19,125 00	22,500 00	15,500 00	7,000 00	184 34	24,348 32*
Program VI	$6,000	180 Days	17,000 00	20,000 00	13,000 00	7,000 00	184 34	21,848 32*
Program V	$5,000	180 Days	14,875 00	17,500 00	10,500 00	7,000 00	184 34	19,348 32*
Program IV	$4,000	150 Days	12,750 00	15,000 00	9,000 00	6,000 00	158 00	16,584 00*
Program III	$3,000	150 Days	11,475 00	13,500 00	7,500 00	6,000 00	158 00	15,084 00*
Program II	$2,000	120 Days	9,350 00	11,000 00	5,000 00	6,000 00	158 00	12,584 00*
Program I	$1,000	120 Days	7,012 50	8,250 00	2,250 00	6,000 00	133 47	10,258 20**
Program 500[2]	$500	120 Days	5,801 25	6,825 00	1,425 00	5,400 00	120 12	8,632 20**
Program 0[2]	$0	0 Days	4,590 00	5,400 00	1,000 00	4,400 00	97 88	6,872 80**

*	4-year financing at 12% compound interest
**	5-year financing at 12% compound interest
+	For each $1,000 of Monthly Revenue over $10,000, the Initial Fee is increased by $2,500 The Cash Price is 85% of the Initial Fee (if financed) and the Annual Percentage Rate is 12% The Offering Period will increase by 30 days per $1,000 of Monthly Revenue over $10,000
1	Franchisee Receives 2 Minor Equipment and Supply Packages on Programs VII and higher
2	Minor Equipment and Supply Packages are not included in Programs 0 and 500 and must be purchased separately
3	"Gross Monthly Billing" means the gross amount of receipts from services and products provide by you to all clients billed before any deductions
4	The "Initial Offering Period" refers to the maximum amount of time allowed to offer you accounts totaling the Gross Monthly Billing for the program you purchased

Under certain circumstances, We may finance a portion of the Initial Fees See ITEM 10 for an explanation of financing arrangements

ITEM 6 - OTHER FEES

Type of Fee[1]	Amount	Due Date[2]	Remarks
Royalty Fee	10% of monthly Gross Revenues	Monthly on the 20th of every month	"Gross Revenues" means all of Your revenues derived from the ownership or operation of your Business including revenues from regular janitorial services, revenues from supplying a person to provide clean-up services during the day (a "Day Porter"), revenue from janitorial services performed outside the monthly contract specifications, revenues from janitorial services performed on a one-time basis, and revenues from work a Client requests over and above the normal monthly contract ("Extra Work"), whether paid by cash, credit, checks, gift certificates, scrip, coupons and premiums (unless exempted by Us), exchange of services, property or other means of exchange, excepting only the amount of any sales taxes that are collected and paid to the taxing authority Gross Revenues includes the proceeds of any business interruption insurance Cash refund and credit given to Clients (except credit for missed cleaning days) and receivables uncollectable from Clients will be deducted in computing Gross Revenues to the extent that the cash, credit or receivables represent amounts previously included in Gross Revenues where Royalty Fees and other amounts were paid Gross Revenues are deemed received by You at the time the goods, products, merchandise or services from which they derive are delivered or rendered or at the time the relevant sale takes place, whichever occurs first Gross Revenues consisting of property or services (for example, "bartering" or "trade outs") are valued at the prices applicable, at the time the Gross Revenues are received, and to the products or services exchanged for the Gross Revenues

Type of Fee[1]	Amount	Due Date[2]	Remarks
Administration Fee	3% of monthly Gross Revenues	Monthly on the 20th of every month	The Administration Fee is charged to reimburse us for Our costs to invoice, receive, and disburse funds from your Clients We will retain the Administration Fee from the payments the Client remits to Us
Advertising Contributions to Marketing Fund	0% of monthly Gross Revenues	Monthly on the 20th of every month	There are no Advertising Contributions being imposed at this time We reserve the right to impose Advertising Contributions at any time, and if imposed, to increase the Advertising Contributions provided the Advertising Contributions do not exceed 2% of monthly Gross Revenues
Credit Card Charges for Client payments	Up to 6 15% of the actual Client invoice excluding sales tax if any	When assessed by the processing bank	Paid out of the Gross Revenues generated from the operation of your Business Franchisee will be notified on the 20th of every month if there are any client payments by credit card payments and the amount charged by the processing bank
C-Fees	2 85 times the Gross Monthly Billing of the additional Account	Payable in full at the time of the assumption of the Account, but may be financed upon request (See ITEM 10 for explanation of financing)	A fee is payable for the assignment and assumption of each additional Account You agree to service under the Franchise Agreement Supplies and Day Porters (included with regular monthly services) are not included

Type of Fee[1]	Amount	Due Date[2]	Remarks
Guaranteed Payment Option	5% of total Gross Revenues	Monthly on the 20th of every month	You may opt to participate in the guaranteed payment option plan under which We will pay You for amounts invoiced to clients, less amounts owed to Us in connection with such invoice, regardless of whether the Client has paid the invoiced amount If You participate in this program, You pay Us 5% of Your total Gross Revenues This fee is assessed only on contracts and products You have provided to the client
Account Transfer Fee	$50 to $150 per Account	Immediately upon receipt of invoice	If a Client gives notice of pending cancellation or requests a transfer due to poor performance on Your part or poor Client relations, We will assign the Account to another Franchisee or if We have received 3 or more complaints from a Client or from Our Operations Department within any 30-day period concerning Your performance and We elect to transfer the Account, an Account Transfer Fee of $100 will be assessed If the transferred Account requires additional work to bring the cleanliness up to acceptable standards, You will be given an opportunity to provide labor and materials, at Your expense and You will be assessed an additional Account Transfer Fee of $50 or a total of $150 If You cannot or elect not to provide labor and materials, We will provide necessary labor and materials to the Client and deduct the expense from monies due You If inspections by Our Operations Department show a continuous lack of proper service and/or poor quality of service, then, regardless of whether the Client has submitted a complaint, We have the right to terminate the Account without notice and assess a $100 transfer fee and You will continue to pay the C-Fees on this Account as if it were current for the balance of the original contract term All other transfers will be assessed a $50 fee
Standards Enforcement Fees	$50 per complaint	Within 20 days of invoice	If, regardless of discovery through a Client complaint or an operations department inspection, a lack of performance is found,

Type of Fee[1]	Amount	Due Date[2]	Remarks
			We will notify You immediately and You will have 2 hours to respond to the complaint If We are unable to make contact with You and Our operations department must respond to the complaint, the Standards Enforcement Fee will also be assessed to You If a complaint is made known to You by Our operations department and You fail to correct the deficiency to the Client's satisfaction on or before Your next contractually scheduled visit, Our operations department will correct the deficiency You will be assessed all costs We incur to correct the complaint
Handling Fees	$100 per payment not forwarded to the Anago Regional Office	Immediately upon receipt of invoice	Client payments sent or given directly to You must be forwarded to the Anago Regional Office for processing Failure on Your part to forward any payments will result in a Handling Fee charge of $100 for each payment You fail to forward to Us
Advanced Payment Fee	$25 processing fee plus 18% per annum interest	Immediately upon receipt of invoice	If We advance collected funds, but the funds are not yet payable to You, You will pay a processing fee of $25 If We loan You uncollected funds, You will pay a processing fee of $25 plus interest at the rate of 18% per annum until fully paid

Type of Fee[1]	Amount	Due Date[2]	Remarks
Corrective Measures Fees	$0 to $500	Within 20 days of invoice	If You receive unsatisfactory inspection reports from Us and fail to promptly remedy the deficiencies, We may require You and designated employees to attend refresher corrective measures classes as soon as reasonably possible You are solely responsible for all expenses associated with these programs including the then prevailing standard Corrective Measures Fee We charge for these programs and all travel, meals and lodging costs of Your attendees If You fail the Anago Orientation Program, You must attend corrective measures classes in the areas the Orientation officer feels are necessary for You to successfully complete the Anago Orientation Program If You lose or are transferred from an Initial Business Account due to non-performance or Client dissatisfaction and We deem it in Your best interest for You to attend corrective measures classes, You must attend corrective measures classes and pay the then current corrective measures fee If We require You to attend corrective measures classes offered by a designated vendor rather then offering the class Ourselves, you will pay the fee charged by the designated vendor directly to such
Insurance Coverage through Us	Cost of the insurance and a reasonable fee or percentage of Gross Revenues (currently 8%) plus a fee for the surety bond of $2 00 per Client per invoice	Within 20 days of invoice	If You choose to obtain insurance through Us We will charge You the cost of the insurance and a reasonable fee for Our efforts You are responsible for payment of all deductibles, should a claim arise
Insurance Coverage	Cost of the insurance,	Upon Invoice	If You fail to maintain the insurance required by the Franchise Agreement, We

Type of Fee[1]	Amount	Due Date[2]	Remarks
(Failure of Franchisee to maintain coverage)	interest on the monies advanced and a reasonable fee or percentage of Gross Revenues (currently 8%) plus a fee for the surety bond of $2 00 per Client per invoice		may (but are not required to) obtain the required insurance and charge You the cost of the insurance, interest on the monies We advance and a reasonable fee for Our efforts You are responsible for payment of all deductibles, should a claim arise
Deficiencies	Actual cost to Us	Immediately upon receipt of invoice	If You do not satisfy Your obligations under the Franchise Agreement, We may (but are not obligated to) perform Your obligations for You You must reimburse Us for Our costs in performing Your obligations
Transfer Fee	The greater of $2,000 or 10% of the sales price	At the time of transfer	Upon a transfer of your Business, You or Your personal representative or other legal representative must pay a Transfer Fee in lieu of an Initial Fee If the transferee is a spouse or child of the transferor, or a wholly owned entity, no Transfer Fee will be charged, but a reasonable administrative fee (currently $250) will be
Testing and/or Inspection of unapproved products and/or services	Not to exceed reasonable cost of inspection and actual testing (estimated $100-$500)	Payable by invoice, within thirty (30) days of receipt of same by You	You are required to purchase or lease equipment, supplies, advertising materials and other products and services used for the operation of Your Business only from authorized manufactures, contractors and other suppliers who demonstrate, to Our continuing reasonable satisfaction (i) the ability to meet Our reasonable standards and specifications for the items, (ii) possess adequate quality controls and capacity to supply Your needs promptly and reliably, and (iii) have been approved in writing by Us and not later disapproved

Type of Fee[1]	Amount	Due Date[2]	Remarks
Liquidated Damages for Premature Termination	Will vary under the circumstances	Immediately upon receipt of invoice	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 the Unit Franchise Agreement and not as a penalty) equal to the net present value of the total of all Royalty Fees, advertising contributions and Administration Fees that would have become due from the date of termination to the earlier of (i) 36 months following termination, or (ii) the scheduled expiration date of the Unit Franchise Agreement time of termination For this purpose, the Royalty Fees, advertising contributions and Administration Fees shall be calculated based on the average Gross Revenues of your Unit Franchise for the 12 months preceding the termination date In the event your Unit Franchise has not been in operation for at least 12 months preceding the termination date, then the calculation will be based on the average Gross Revenues of your Unit Franchise for the number of full calendar months your Unit Franchise was in operation
Fee for Lost Manual	$500 for lost Manual	Immediately upon receipt of invoice	Upon the theft, loss or destruction of the Manual, a replacement copy will be loaned to You at a fee of $500 A partial loss or failure to update the Manual is considered a complete loss "Manual" means all manuals produced by, or for the benefit of, ACS, AFI or Us and loaned to You, as periodically revised
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
Liquidated Damages for Violation of Non-Compete	$1,000 per week	Immediately upon demand	If you violate the in-term or post-term covenant not to compete, you will pay us this fee so long as you continue to compete with us in violation of the covenant

Type of Fee[1]	Amount	Due Date[2]	Remarks
Indemnity	Actual cost to Us	Immediately upon receipt of invoice	You must reimburse us if we are held liable for claims resulting from the operation of Your Business or from the breach of your Unit 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 Your Franchise Agreement, the prevailing party is entitled to recover reasonable pre-institution and post-institution attorneys' fees, court costs and all expenses even if not taxable as court costs If We engage legal counsel because of Your failure to pay when due any monies owed under Your Franchise Agreement or submit when due any reports, information or supporting Records (as defined in Item 11), or for any failure otherwise to comply with Your Franchise Agreement, You must reimburse Us for all of the Enforcement Costs We incur
Mandatory Continuing Education	$50 per session	Upon receipt of invoice	If You receive an unsatisfactory inspection report from Us and fail to promptly remedy the deficiencies, We may require You and designated employees to attend corrective measures classes as soon as reasonably possible You are solely responsible for all expenses associated with these programs, including Our then-prevailing standard fee for the programs and all travel, meals and lodging costs for Your attendees
Operations Fee	$50 plus any labor and materials cost	Upon receipt of invoice	If We elect to procure service to an Account You are currently servicing in order to comply with the Account's requirements or You are unable or unwilling to provide the services, You will be assessed the Operations Fee
House Account Finance Fee	5 25% of supplies	Immediately upon receipt of invoice	Anago may designate a supplier where a Franchisee may go and buy supplies and

Type of Fee[1]	Amount	Due Date[2]	Remarks
	purchased through House Account		pay cash or charge to the Anago "House Account " All supplies charged to the House Account will be subject to a five and twenty-five one-hundredths percent (5 25%) finance charge

1 The fees in this Item are non-refundable, unless provided otherwise above The fees may not be uniform for all franchisees as some existing franchisees may pay these fees at different rates

2 The Royalty Fee, Administration Fee, Advertising Contributions (if and when imposed), and C-Fee will be deducted by Us by the 20th day of each month for the services rendered during the previous calendar month You will receive payment on all collected billing by mail, which typically will be mailed on or before the 20th day of each month, but no later than the 25th day of each month, following the month in which services were rendered You will also receive payment up to the last day of actual service to the Client if the Account is lost or transferred All other amounts due to Us from You will be paid on the 20th day of each month If no time is specified, these amounts are due upon receipt of an invoice from Us Any payment We do not actually receive on or before the due date is overdue

ITEM 7 - ESTIMATED INITIAL INVESTMENT

Type of Expense	Amount[1]	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Fees[2]	$4,590 to $32,348 32	Lump Sum (if cash) or up to 60 monthly installments (if financed)	On signing the Franchise Agreement or up to 60 monthly installments	Subfranchisor
Major Equipment[3]	$1,350 to 2,740	Lump Sum	Before beginning business	AFI, Subfranchisor or Approved Supplier
Vehicle[4]	$0 to $20,000	Lump Sum	Before beginning business	Third Party
Cleaning Supplies[5]	$0 to $130	Lump Sum	Before beginning business	AFI, Subfranchisor or Approved Supplier
Minor Equipment[6]	$0 to $430	Lump Sum	Before servicing Your first Account	AFI, Subfranchisor or Approved Supplier
Insurance[7]	$3,000 to $6,000	Lump Sum or Monthly	Before beginning business	Third Party, AFI, or Subfranchisor

Fictitious Name Registration, Incorporation and Legal Review[8]	$500 to $1,200	Lump Sum	Before beginning business	Third Parties
Travel, Meals, Etc for Initial Training[9]	$0 to $200	As Incurred	Before beginning business	Third Parties
Miscellaneous Start-up Costs[10]	$0 to $500	As Incurred	Before beginning business	Third Parties
Additional Funds[11] (3 months)	$1,000 to $5,000	As Incurred	Before beginning business	Third Parties
TOTALS[12]	**$10,440.00 to $68,548.32**			

[1] Unless otherwise indicated, payments are not refundable

[2]See Item 5 for a description of the Initial Fees

[3]You must lease or purchase the Major Equipment before You will be offered Initial Accounts The Major Equipment includes 1 Floor Machine (buffer) 17"-20", 1 Wet/dry vacuum, and 1 Hand Held Vacuum You also are required to have a cellular phone and Internet (e-mail) access

[4]You can use Your existing vehicle in Your Business The estimated cost of a van is up to $20,000 However, you are not required to use a van

[5]We will only allow cleaning supplies that support the image and positioning of the System in the marketplace You agree to the image and positioning of the System and agree to use only the supplies We specify or otherwise approve These costs are established based upon Our estimate of the initial supplies, including cleaning chemicals and cleaning cloths These must be purchased before servicing Your first Account Cleaning supplies are included in the Initial Franchise fee for Programs I and higher Cleaning supplies that meet this standard will be provided for your reference All products must comply with OSHA standards for labeling and submission of SDS sheets at the client site, delivered by You

[6]We will only allow equipment that supports the image and positioning of the System in the marketplace You agree to the image and positioning of the System and agree to use only the equipment We specify or otherwise approve These costs are established based upon Our estimate of the initial Minor Equipment, including a vacuum cleaner, broom, mop and bucket These must be purchased before servicing Your first Account Minor Equipment is included in the Initial Franchise fee for Programs I and higher

[7]As discussed in Item 8 and Section 9 1 of the Franchise Agreement, We require that You carry certain specified insurance The method and timing of payments is a matter to be resolved between You and Your insurer Because the selection of the carrier, amount of wages and other related conditions vary considerably, it is difficult to estimate the ultimate cost to any given Franchisee Therefore, We, in light of the volatility of the insurance industry, estimate the total cost

with the caution that You should obtain quotes from carriers of choice before proceeding If You elect to participate in Our insurance program, if available, rather than purchase on Your own the required insurance, You agree to pay Us a fee for our efforts (currently, 8% of monthly Gross Revenues), plus $2 00 per invoice per client serviced

[8]Your Business must be operated by a legal entity If You sign the Unit Franchise Agreement in Your individual capacity, then, within 30 days of signing the Anago Unit Franchise Agreement and before You begin operating Your Business, You must set up a corporation whose sole purpose is to operate Your Business You may have to comply with the fictitious, assumed, or trade name statutes of the state where the Business will be located We estimate that the attorneys' fees, publication fees, filing fees and other costs will total $500 to $1,200 for incorporation, compliance with the applicable fictitious name statute, if any, and review of this Franchise Disclosure Document, depending on the scope of legal services rendered These fees may vary from state to state depending on each state's laws and the prevailing rate of attorneys' fees These costs are paid to attorneys, newspapers and governmental agencies, are typically not refundable and usually incurred before beginning business

[9]Some costs of Orientation that You may bear are transportation and meals The estimate is for items that are non-discretionary in nature Generally, these costs will vary widely as a function of the distance traveled, the restaurants eaten in, and the transportation selected Considering different lifestyles, distances and compensation assumption, the estimates are from $0 to $200

[10]In every business start up there are numerous unanticipated costs, for example, additional licenses and permits, professional fees for accountants, attorneys, utility deposits, miscellaneous supplies and many others We have not included an estimate for rent, utilities, furniture, fixtures or other costs associated with buying or renting an office location as most unit franchisees do not maintain an office location

[11]You should have adequate working capital before beginning operation of Your Business These additional funds should be sufficient to keep the Business in operation for 3 months and capable of covering the excess of expenses over cash flow covering employee wages and taxes, cleaning supply replenishment, insurance premiums and other normal expenses that are associated with the day-to-day business operation of the Business You must be able to meet operating expenses from pre-opening, including hiring and training expenses, until the Business develops sufficient cash flow to cover all costs This estimate does not include any payments to You, nor does it cover your personal living expenses, during the start-up period You are encouraged to fill out a personal/family cash flow budget and determine if there is sufficient revenue on the personal level to provide for Your family through the start-up period You must have additional sums available, whether in cash or through unsecured credit lines, or have other assets that you may liquidate, or that you may borrow against, to cover your personal living expenses and ay operating costs after the initial phase The additional funds requirements will be a function of Your decisions regarding nearly every aspect of Your Business, for example, the size of the payroll, size of the operation and many other expenses that You decide to incur

[12] The figures in the above chart are estimates only based on Our experience, and the experience of AFI, its principals and affiliates, and We cannot guarantee that You will not have additional expenses in starting Your business Your costs will depend on Your management skill, experience and business acumen, local economic conditions, the local market for Anago services, competition, and the Gross Revenues reached during the initial period You should review these

figures carefully with a business advisor, such as an attorney, accountant or financial advisor, and develop a business plan and financial projections for Your Business, before making any decisions to purchase the Business

Financing

If You meet Our credit standards, We will finance a portion of the Initial Fees as shown on the table in Item 5 with a required down payment Financing is available at an Annual Percentage Rate of 12%, using the standard form promissory note in Exhibit 7 to the Unit Franchise Agreement Please see Item 10 for a discussion of available financing

ITEM 8 - RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Restrictions on Products and Services

We require You to purchase or lease the Major Equipment, minor equipment and supplies for the establishment of Your Business from Us, AFI or an approved supplier The "Major Equipment" includes 1 Floor Machine (buffer) 17"-20", 1 Wet/dry vacuum, and 1 Hand Held Vacuum A list of the minor equipment is included as Exhibit 4 to the Unit Franchise Agreement A list of the supplies is included as Exhibit 3 to the Unit Franchise Agreement

Specifications and Standards

To help retain the uniform and high standards necessary to maintain and enhance the goodwill of the System and Your acceptance in Your market, You are required to purchase or lease certain products, services, signs, supplies, equipment and other items from designated or approved suppliers and under System specifications, as identified by Us and/or AFI, in the Franchise Agreement, Manual or otherwise in writing Specifications may include standards for enhancing the System's image and minimum standards for safety, appearance and other factors AFI formulates and may modify specifications based upon the uniform and high standards necessary to maintain and enhance the goodwill of the System Specifications are issued to You in the Manual or otherwise in writing

Insurance

You must obtain and maintain insurance, at Your expense, as We require, in addition to any other insurance that may be required by applicable law, Your landlord, and lender or otherwise The policies must be written by an insurance company reasonably satisfactory to Us with a Best rating of "A" or better, and must include at a minimum

(a) Commercial general liability insurance and completed operations coverage in the amount of $1,000,000 per person/per occurrence for bodily injury and property damage combined with a general aggregate of $2,000,000, and naming Us as an additional insured in each policy,

(b) Workers' compensation coverage and unemployment insurance and all other insurance required by statute or rule of the state where the Business is located,

(c) Automobile liability insurance You agree to require that vehicles used by Your employees in the Business as well as yourself have coverage, with a combination of primary and excess limits of at least $100,000/$300,000,

(d) Surety bond of $50,000, and

(e) All other insurance, and in the amounts, We reasonably require for Our and Your protection

You are not required to purchase insurance from Us, AFI or any of Our or their affiliates We, AFI, and/or its Affiliates may, either ourselves or through a Designee, in Our sole discretion, offer and make available to You, the insurance coverage required under the Unit Franchise Agreement, or a portion thereof If you elect to purchase any insurance coverage from AFI, Us and/or Our Designees, We have the right to charge You fees and to derive revenue from Your purchase, including fees for administering the insurance program The cost of this insurance may include, in addition to the premium, a management fee and administrative service charge as We determine These fees will be paid to Us or Our Designee Premiums for any such insurance plans may vary in different states and may change from year to year The plans, if offered, will be subject to change, modification, and/or cancellation Future changes in premiums, coverages and other changes will be set forth in the Manual or in writing The premiums You pay to participate in these programs may exceed Our costs We have the right to retain these excess funds

__**Approved Supplies and Suppliers**__

You are required to purchase or lease equipment, supplies, advertising materials and other products and services used for the operation of Your Business only from authorized manufacturers, contractors and other suppliers who demonstrate, to Our continuing reasonable satisfaction (i) the ability to meet Our and AFI's standards and specifications for the items, (ii) possess adequate quality controls and capacity to supply Your needs promptly and reliably, and (iii) have been approved in writing by Us and not later disapproved We may approve a single supplier for any brand and may approve a supplier only as to a certain brand or brands In approving suppliers for the System, We may take into consideration the price and quality of the products or services and the reliability of the supplier and other factors We may concentrate purchases with 1 or more suppliers to obtain the lowest prices and/or the best advertising support and/or services for any group of Anago Franchisees or Company Units within the System Approval of a supplier may be conditioned on requirements for the frequency of delivery, standards of service, including prompt attention to complaints, and concentration of purchases, as stated above, and may be temporary, pending Our additional evaluation of the supplier If We later disapprove a supplier, We will notify You in writing of the disapproval You must immediately cease purchasing from that supplier within 30 days after Your receipt of Our notice of disapproval

We are one of the approved suppliers for the List of Supplies and Minor Equipment as described in Exhibit 3 and 4 of the Unit Franchise Agreement and advertising materials

Except as disclosed in this Item, neither We, nor AFI are the only approved suppliers of products or services As of the issuance date of this Disclosure Document, none of (a) Our officers, or (b) AFI's officers, owns any interest in any approved supplier of products or services

Approval of New Suppliers

If You propose to purchase or lease any equipment, supplies, advertising materials, or other products or services from an unapproved supplier, You must submit to Us a written request for approval, or request the supplier to do so itself We have the right to require, as a condition of Our approval, that Our representatives are permitted to inspect the supplier's facilities, and that samples from the supplier be delivered, at Our option, either to Us or to an independent, certified laboratory We designate for testing We will not be liable for damage to any sample that may result from the testing process You will pay a charge, not to exceed the reasonable cost of the inspection, and actual cost of the testing We reserve the right, at Our option, to re-inspect the facilities and products of any approved supplier and continue to sample the products at the supplier's expense and to revoke approval upon the supplier's failure to continue to meet Our standards and specifications We may also require as a condition to Our approval, that the supplier present satisfactory evidence of insurance, for example, product liability insurance, protecting Us, and Our Franchisees from all claims from the use of the item within the System We will notify You in writing of the approval or disapproval of the supplier within 30 days Our criteria for supplier approval are not available to You or proposed suppliers, as We, AFI and its Affiliates have developed this criteria through the expenditure of extensive work and time and the criteria are considered Confidential Information (as defined in Item 14)

System Modifications

We and/or AFI have the right to supplement, improve and otherwise change the System at any time and for any reason, and You must comply with all such requirements, including offering and selling new or different products or services specified by Us and/or AFI and discontinuing the offer and sale of products and services we and/or AFI no longer approve

Revenue from Approved Supplies and Suppliers

We, AFI and its affiliates may derive revenue, income and other benefits from Your purchase or lease of any products, services, supplies or other items This income may be derived as a rebate from various suppliers based on the quantity of Franchisees' purchases Currently, we receive a 5% to 20% rebate from franchisee purchases of branded items such as apparel and stationery, and AFI currently receives a 5% to 20% rebate from franchisee purchases of branded items such as apparel and stationery During Our fiscal year ended December 31, 2017, We derived $900, or 0 14% of Our total revenue of $621,434, from required Franchisee purchases During AFI'S fiscal year ended December 31, 2017, it derived $40,169 or 0 70% of its total revenue of $5,737,564, from required Franchisee purchases

Magnitude of Required Purchases or Leases

We estimate that the required purchases or leases described in the above paragraphs are approximately 3% - 5% of the cost to establish Your Business and approximately 3% - 5% of Your total annual operating expenses Except as disclosed in this Item 8, there are no goods, services, supplies, equipment, computer hardware and software, or real estate, which You must purchase or lease from Us, AFI, Our designees, or from suppliers approved by Us or AFI

Cooperatives

There are currently no purchasing or distribution cooperatives that You must or may participate in at this time We reserve the right to establish national or regional purchasing programs in the future If a national or regional purchasing program is established for the region where Your Business is located, You must participate in the program You will not receive any material benefit from purchasing particular products or services or from using approved or designated suppliers

Arrangements with System Suppliers

As of the issuance date of this Disclosure Document, We have no negotiated arrangements with 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 Agreement[1]	Disclosure Document Item
a Site selection and acquisition/lease	Not applicable	Not applicable
b Pre-opening purchase/leases	Sections 4 1, 4 4, 4 5 and 4 6	ITEMS 5, 7, 8 and 11
c Site development and other pre-opening requirements	Sections 4 1, 4 2, 4 4 and 4 6	ITEMS 7, 8 and 11
d Initial and ongoing training	Sections 2 1, 2 2, 2 5 and 2 8 (J)	ITEMS 6, 7and 11
e Opening	Section 4 1	ITEMS 7, 8 and 11
f Fees	ARTICLE 3	ITEMS 5, 6 and 7
g Compliance with standards and policies/operating manual	Sections 8 1, 8 2, 9 1, 9 2, 18 3 and ARTICLES 4, 6 and 7	ITEMS 8, 11 and 14
h Trademarks and proprietary information	ARTICLES 5, 6 and 13	ITEMS 13 and 14
i Restrictions on products/services offered	Sections 4 1, 4 4 and 4 5	ITEMS 8 and 16
j Warranty and customer service requirements	Section 4 7, 4 8	ITEM 8
k Territorial development and sales quotas	Not applicable	ITEM 12
l Ongoing product/service purchases	Sections 4 1 and 4 4	ITEMS 6 and 8

Obligation	Section In Agreement[1]	Disclosure Document Item
m Maintenance, appearance and remodeling requirements	Sections 4 1 and 4 2	ITEMS 6, 7 and 8
n Insurance	ARTICLE 9	ITEMS 6, 7 and 8
o Advertising	ARTICLE 7	ITEMS 6 and 11
p Indemnification	Section 14 2	ITEMS 6 and 8
q Owner's participation/management/ staffing	Sections 4 2 and 4 3	ITEMS 6 and 15
r Records and reports	ARTICLE 8	ITEM 8
s Inspections and audits	ARTICLE 8	ITEMS 6, 8 and 11
t Transfer	ARTICLE 10	ITEMS 6 and 17
u Renewal	Section 16 2	ITEMS 6 and 17
v Post-termination obligations	ARTICLE 12	ITEM 17
w Non-competition covenants	ARTICLE 13	ITEM 17
x Dispute resolution	ARTICLE 18	ITEMS 6 and 17

[1]All references are to the Anago Unit Franchise Agreement attached as Exhibit B

ITEM 10 - FINANCING

Initial Fees

If You meet Our credit standards, We will finance a portion of the Initial Fees as shown on the table in Item 5 with a required down payment Financing is available at an interest rate of 12%, using the standard form promissory note attached as Exhibit 7 to the Unit Franchise Agreement The unsecured promissory note will be repayable in 48 or 60 monthly installments, depending on the Program you choose, but can be prepaid without penalty at any time during its term (Promissory Note Exhibit B of FDD, FA Exhibit 7) If You do not pay on time, We can call the loan and demand immediate payment of the full outstanding balance and obtain court costs and attorneys' fees if a collection action is necessary (Promissory Note Sections 3 and 5) Any default under the Note constitutes a default under the Unit Franchise Agreement, further, upon any default under the Unit Franchise Agreement the entire unpaid principal and accrued interest under the Note will become immediately due and payable You waive Your rights to notice of a collection action and to assert any defenses to collection against Us (Promissory Note Section 4) If You are an entity, at least one of your owners must guaranty your obligations We currently do not sell, assign or discount these notes to a third party, but reserve the right to do so

C-Fees

For the assignment and assumption of any additional Accounts You agree that You will pay to Us a non-refundable fee ("C-Fee") The C-Fee is equal to 2 85 times the Gross Monthly Billing of the additional Account and is payable in full at the time of the assumption of the Account or may be financed by Us, at Our sole discretion, under the Terms listed below in Subsections (i) through (vii)

(i) For any additional Account You agree to service having Gross Monthly Billing of up to and including $2,000, the C-Fee is equal to 2 85 times the Gross Monthly Billing payable (1) 20% upon assumption of the Account, and (2) the balance payable in 11 equal monthly installments including interest at 12% per year

(ii) For any additional Account You agree to service having Gross Monthly Billing from up to $2,001 and including $3,000, the C-Fee is equal to 2 85 times the Gross Monthly Billing payable (1) 20% upon assumption of the Account, and (2) the balance payable in 11 or 17 equal monthly installments including interest at 12% per year Should, for any reason the contract not be renewed after 12 months, and the financing was for 17 months, the remaining balance owed is due immediately

(iii) For any additional Account You agree to service having Gross Monthly Billing of $3,001 and above, the C-Fee is equal to 2 85 times the Gross Monthly Billing repayable as negotiated by the parties as stated in the Account Assumption Agreement (Exhibit 6 to Anago Unit Franchise Agreement) Should, for any reason, the contract not be renewed after 12 months, and the financing was for 18 months, the remaining months owed is immediately due

(iv) If the C-Fee is paid in full within 90 days of assumption, no interest charges will accrue The C-Fee may be prepaid in full at any time without a prepayment penalty

(v) If You lose an additional Account for the reasons stated in either Subsection 2 1 (c) of the Unit Franchise Agreement or if You abandon Your Business (for more than 2 days without at least 10 days' written notice and Our consent) and the C-Fee was financed, the entire unpaid amount becomes immediately due

(vi) We do not require that anyone other than You personally guarantee the C-Fee if financed nor do we obtain a security interest in connection with providing C-Fee financing

(vii) We will deduct C-Fees at the same time and in the same manner as Royalty Fees

Upon default of payment of C-Fees, we may demand immediate payment of the entire amount of the financed C-Fees, and we may terminate the Unit Franchise Agreement You are not required to waive defenses or other legal rights in connection with C-Fee financing We do not sell, assign or discount any part of the C-Fee financing arrangement to a third party

Except as disclosed above, we do not offer direct or indirect financing, nor do we guarantee your note, lease or obligations

ITEM 11 - THE FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, We are not required to provide You with any assistance.

Pre-Opening Assistance

After the Unit Franchise Agreement is signed and before You begin to operate Your Business, We provide the following

(a) **Assignment of Accounts.** (Section 2 1 (a) of the Unit Franchise Agreement) We will offer to You Accounts generating Gross Monthly Billing under the Program You select within the Initial Offering Period identified in the Franchise Agreement, after You satisfy the conditions described in Section 2 1(a) of the Unit Franchise Agreement

If We are unable to offer You the full amount of Initial Business within the time frame allocated for the Initial Offering Period in the Program You purchase, an amount equal to 2 85 times the amount of Initial Business not offered to You will be refunded

(b) **Anago Orientation Program.** We will make available to three individuals designated by You, one of whom must be a party to or a guarantor of the Unit Franchise Agreement, Our then-current initial Anago Orientation Program (Section 2 2 of the Unit Franchise Agreement) Details of the Anago Orientation Program are described below under the heading "Orientation Program "

(c) **Loan of the Manual.** We will loan You 1 copy of each volume of the Manual (Section 2 3 of the Unit Franchise Agreement)

(d) **Lists, Forms, and Schedules.** We will supply to You (i) a list of equipment, supplies, materials, inventory and other items You are required to purchase, (ii) an initial set of forms You are required to use in the operation of Your Business, including standardized periodic reporting forms for reporting performance, evaluation, inspection and communication, and (iii) a schedule of items that must be purchased from Us or a designated or approved System supplier (Section 2 4 of the Unit Franchise Agreement) We need not provide You with any other assistance or service before You open Your Unit franchise

(e) **Equipment and Supplies** We will provide to you an initial quantity of cleaning supplies as stated in Exhibit 3 of the Unit Franchise Agreement and minor equipment as stated in Exhibit 4 of the Unit Franchise Agreement However, the cleaning supplies and minor equipment are not included with the purchase of Programs 0 and 500 and therefore must be purchased separately All equipment and supply packages may be waived and credit will be given towards the initial fee from the program purchased amounting to the then current prices for the equipment and supply packages (Section 2 6 of the Unit Franchise Agreement)

(f) **Assistance in Initial Set-Up and First Time Cleaning.** We will provide to you experienced operational support and accompany you and your employees during the initial set-up and first time cleaning of the very first Account (Section 2 7 of the Unit Franchise Agreement)

(g) **<u>Franchisor's obligations to provide advertising materials.</u>** Included in the price of Your Initial Package are Anago business cards, marketing brochures, and three T-Shirts (Exhibit 2 of the Unit Franchise Agreement)

<u>Continuing Assistance</u>

During Your operation of the Business, We will provide You with the following assistance

(a) **<u>Invoicing and Accounting Services.</u>** We and/or AFI currently invoice Clients for services You perform on or before the 5th of the month prior to service and We collect payment for such services directly from the Clients, on a monthly basis We will remit to You, all Gross Revenues paid to Us for each Account You service, less all fees You are required to pay under the Unit Franchise Agreement, including Royalty Fees, Administration Fees, Advertising Contributions, C-Fees and Note Payments, on a monthly basis We reserve the right to stop providing these services at any time and may require You to invoice Clients and collect payments directly at any time Currently, You are not permitted to invoice Clients or collect payments directly without first obtaining Our prior written approval If amounts billed to customers are unpaid, You will incur the loss of nonpayment except in instances where We have guaranteed payments to You in writing You will be notified on the 20th of each month of clients that have not paid for the current month service There are no fees deducted or owed to Anago for any billing that has not been collected With Our prior written consent, You may take action to enforce payment of Accounts You service at Your sole cost and expense In the alternative, at Your request, We may, in Our sole discretion, take action to enforce payment at Your sole expense We do not invoice clients You service outside of the Anago System or clients that do not have contracts with Anago (Section 2 8 (a) of the Unit Franchise Agreement)

(b) **<u>Assistance with Business Development</u>** We may, at Our discretion and subject to availability, continue to provide You with advice regarding providing new Client estimates, custom proposals and references in order to assist development of Your Business (Section 2 8 (d) of the Unit Franchise Agreement)

(c) **<u>Assistance with Client Services</u>** We will accept service calls from accounts assigned to You and relay these service calls to You in a timely manner (Section 2 8 (e) of the Unit Franchise Agreement)

(d) **<u>Telephone Hotline.</u>** We will maintain a telephone "hotline" for informational assistance and emergencies (Section 2 8 (f) of the Unit Franchise Agreement)

(e) **<u>Local Advertising.</u>** We will provide advice on Local Advertising (Section 2 8 (g) of the Unit Franchise Agreement)

(f) **<u>Promotional Literature</u>** We will make available to You promotional literature of the System and all pertinent new developments in the janitorial service industry including procedures for improved efficiency to the extent actually known by Us (Section 2 8 (h) of the Unit Franchise Agreement)

(g) **<u>Periodic Assistance.</u>** We may provide advisory assistance in the operation and promotion of the Anago Unit Franchise as We deem advisable Advisory assistance may include continuing education and assistance, communication of new developments, improvements in equipment and supplies, and new techniques in advertising, service and management relevant to the operation of Your Business through audio or videotapes and service manual (Section 2 8 (i) of the Unit Franchise Agreement)

(h) **Continuing Education.** We may provide continuing education programs, seminars or advanced management continuing education for You and Your employees at Our principal Orientation facility Any continuing education that is recommended by the Regional Office because you have received an unusually high number of complaints from Clients, gives us the option to suspend all further business offerings until we are satisfied that the deficiencies have been corrected (Section 2 8 (j) of the Unit Franchise Agreement)

(i) **Replacement of Initial Business.** If You lose or transfer an Initial Account due to circumstances beyond Your reasonable control (such as an Account going out of business or ceasing business for more than 7 days due to a natural disaster) within the first year, We will replace the remaining portion of this Account with a new Account having the same or greater Gross Monthly Billing for the remainder of the term of the Initial Account and no additional C-Fee will be due on the Initial Business portion (Section 2 1 (c) of the Unit Franchise Agreement)

We have no obligation to develop new products or services to be offered by You to Your clients or to hire and train Your employees

Marketing Fund

We, and/or AFI, have the right to establish an advertising and marketing fund or funds (collectively, the "Fund") If established,You must pay us a monthly advertising and marketing fund (the "Fund") advertising contribution of 2% of monthly Gross Revenues Unit Franchises that We or our affiliates own will also be required to contribute to the Fund but may contribute at a different rate than You We reserve the right to increase the advertising contributions provided the increased monthly advertising contribution will not exceed 2% of monthly Gross Revenues Each advertising contribution is due on the same date and calculated for the same periods as the Royalty, and will be payable in the same manner

We and/or AFI will have the sole discretion over the concepts, materials, media, type, nature, scope, frequency, place, form, copy, layout and content of all national, regional and local advertising paid out of the Fund The Fund will be maintained and administered by Us, AFI, or Our Designee as follows

(a) The Fund is intended to maximize general public recognition and acceptance of the Anago trademarks and System for the benefit of all Franchisees within the System, and neither We, nor AFI is obligated to make expenditures for You which are equivalent or proportionate to Your contribution or to ensure that You benefit directly or pro-rata from the placement of advertising or marketing

(b) The Fund, all contributions to the Fund, and any earnings by the Fund, are used exclusively to meet the costs and expenses of maintaining, administering, directing, conducting and preparing advertising, marketing, public relations or promotional programs and materials, and any other activities which We and/or AFI believes will enhance the image of the System, including the costs of preparing and conducting media advertising campaigns, direct mail advertising, marketing surveys and other public relations activities, employing advertising and/or public relations agencies, purchasing promotional items, conducting and administering visual merchandising, promotions and merchandising programs, and providing promotional and other marketing materials and services Advertising may be regional or national, in the following types of media print, internet, radio or television The Fund may also be used to provide rebates or reimbursements to You for local expenditures on products, services or improvements, approved in advance by Us or AFI, which We or AFI believe promote general public awareness and favorable support for the franchise System

(c) All sums that You contribute to the Fund will be accounted for separately from Our other funds and will not be used for any of Our general operating expenses However, We may use the advertising contributions to pay for the costs, expenses and overhead incurred by Us and/or AFI in activities related to the direction, implementation and administration of the Fund, including costs of personnel for creating and implementing advertising, merchandising, promotional and marketing programs Neither the Fund nor its earnings will belong to Us or AFI We do not owe any fiduciary obligation to You for administering the Fund or any other reason Separate bookkeeping accounts will be maintained for the Fund A statement of operations of the Fund will be prepared annually and will be made available to You at Your request We may opt to have the Fund audited annually, at the Fund's expense, by an independent certified public accountant

(d) If all contributions to and earnings by the Fund are not expended during the taxable year in which the contributions and earnings are received, all expenditures in the following taxable year or years are made first out of accumulated earnings from previous years, next of Our earnings in the current year and finally from contributions

(e) We and/or AFI has the right to terminate the Fund at any time, however the Fund will not be terminated until all monies in the Fund have been expended

(f) We are not required to spend any amount on advertising in Your Area of Operation

(g) We have the right, but no obligation, to use collection agents and institute legal proceedings, at the Fund's expense, to collect contributions owed to the Fund We also may forgive, waive, settle, and compromise all claims by or against the Fund We assume no direct or indirect liability or obligation to You for collecting amounts due to, maintaining, directing, or administering the Fund Neither You nor any other Unit Franchisee is a third party beneficiary of the Fund nor has any right to enforce any obligation to contribute to the Fund

(h) We and/or AFI may at any time defer or reduce contributions of a franchisee and, upon 30 days' prior notice to You, reduce or suspend contributions to one or more Funds and their operations for one or more periods of any length and terminate (and, if terminated, reinstate) any one or more of the Funds If We terminate a Fund, We will spend all remaining monies in such Fund in Our sole discretion

You are not required to spend any other amount for advertising for your Anago franchise There is no advertising council composed of other franchisees You are not required to participate in any local or regional advertising cooperatives

Other Advertising Funds

There are no other advertising funds

Advertising Committee

Currently, there is no Anago Marketing or Advertising Committees nor any Cooperatives advising Us on advertising and/or marketing policies

Use of Your Own Advertising Material Including Electronic Media

You may develop advertising and promotional materials for Your own use, however You must submit to Us, for Our approval, all advertising and promotional materials before You use them, unless they have been approved before or they consist only of materials We provided All materials containing Proprietary Marks must comply with the specifications in the Manual and be used in accordance with ARTICLE 7 of the Unit Franchise Agreement We may require that a "tag line", stating that franchise and/or career opportunities are available, be included in any advertising

You may not use electronic media to advertise Your Unit, including the Internet, social media, and a worldwide web page, without first obtaining Our prior written approval You must also obtain Our prior written approval all of Your electronic media (including Internet and social media) advertisements and/or promotions

Computer Systems

You are not required to purchase or maintain a computer system, but must have a cellular phone and access to the Internet (estimated cost of $100-$250 monthly) There is no data that Franchisor requires to be generated or stored There is no Franchisor obligation to provide ongoing maintenance, repairs, upgrades, or updates, and there is no Franchisee obligation to upgrade or update any computer system during the term of the Unit Franchise Agreement, and no anticipated costs in connection therewith

Operating Manual

After You have signed Your Anago Unit Franchise Agreement and before You begin operation of Your Unit, We will loan You a copy of the Unit Franchise Operating Manual, which is composed of Introduction to the Manual, Introduction to the Franchise System, Pre-Opening Procedures, Personnel, Policies & Procedures, Daily Operating Procedures, Floor Care, Safety and Security, Biohazards, Financial Reports, Bidding & Estimating, and Management Documents and Forms The Manual contain proprietary information and You must keep this information confidential as described in ITEM 14

The current Manual consist of 239 pages The Table of Contents for the Manual is attached to this Disclosure Document as Exhibit F

Business Location

You must designate a location to be used to manage and administer Your Business and maintain the books, financial information, reports, files, correspondence and other records (collectively, the "Records") of the business You may, subject to zoning and local ordinances, establish the business office within the residence of You or a holder of a legal or beneficial interest in You, however, We have no obligation to assist You in conforming the premises to local ordinances or building codes In addition, We have no obligation to assist You in selecting a location for the operation of Your Business or to assist You in constructing, decorating or remodeling the premises As of the issuance date of this Disclosure Document, Anago Unit Franchises were generally operated from a home or a small office We must approve Your office if not located at Your home residence before You can sign a lease agreement for the location

Time Between Signing of Franchise Agreement and the Opening of the Anago Franchise

The typical length of time between the signing of the Unit Franchise Agreement and the opening of the Business can vary from 1 to 7 months The factors that affect this time frame usually include the time when You receive and complete satisfactorily the Anago Orientation Program, set up your corporation and its bank accounts, and obtain all licenses and permits if required

Training Program

We provide an orientation program for the franchisees to familiarize themselves with how the Anago franchise system should operate The cleaning methods we recommend are based on ACS' and AFI's experience and expertise in the cleaning industry The orientation program is intended to demonstrate certain methods of Anago's recommended procedures, however, You may use any cleaning methods necessary to fulfill Your obligations and ensure the needs of Anago Accounts are being met

(a) **Anago Orientation Program (Mandatory).** We will provide the Anago Orientation Program for You (or one of your owners, if you are a legal entity) and two other individuals designated by You after You sign Your Unit Franchise Agreement and before You begin operations The current Anago Orientation Program consists of 7 classroom sessions and 3 on-site sessions at one of Our existing Account buildings Each classroom session is a maximum of 8 hours Each on-site session will be up to 8 hours The Anago Orientation Program currently covers the following items orientation to the Anago system, general office cleaning, restroom cleaning, floor maintenance, customer relations and contract sales This is provided through the use of lectures and "hands on" applications by Our experienced staff Training materials include the Manual, handouts and videos There is no additional fee for Initial Orientation You are responsible for any expenses incurred by You and Your employees in attending the Initial Orientation, including costs of transportation, lodging, meals and any wages paid to your employees (Section 2 2 of the Unit Franchise Agreement)

Our current Orientation instructor is Majen Singh and they have 9 years experience in the janitorial industry

The Anago Orientation Program will begin approximately 1 to 4 weeks after the Unit Franchise Agreement is signed and 4 to 17 weeks before the opening of Your Anago Unit Franchise

You are not required to complete the Orientation program within any specific time after You sign Your Anago Unit Franchise Agreement, however You must complete the Initial Orientation Program to Our satisfaction before You begin operation of Your Unit franchise The Orientation Program is scheduled by Us, as needed, subject to the availability of Our Orientation staff

TRAINING PROGRAM

Subject	**Hours of Classroom Training**	**Hours of Training On-The-Job**	**Location**
Orientation to Anago	4 – 6	0	Regional Office
General Office Cleaning	4 – 6	8	Regional Office/ Local Account
Restroom Cleaning	4 – 6	8	Regional Office/ Local Account
Floor Maintenance	4 – 6	8	Regional Office/ Local Account
Customer Relations	8	0	Regional Office
Sales of Accounts	4 – 6	0	Regional Office
Administration	4	0	Regional Office

(b) **Continuing Education (Mandatory).** We may provide continuing education programs, refresher courses, seminars or advanced management continuing education for You at Our principal Orientation facility We may require You to attend these continuing education programs at Your expense You are solely responsible for all expenses associated with these programs, including Our then-prevailing standard Orientation fee (currently, $500) for the programs and all travel, meals and lodging costs for Your attendees (Subsections 2 8(j) of the Unit Franchise Agreement)

(c) **Corrective Measures.** If You receive unsatisfactory inspection reports from Us and fail to promptly remedy the deficiencies, We may require You and designated employees to attend corrective measures classes as soon as reasonably possible You are solely responsible for all expenses associated with these programs including the then prevailing standard Orientation fee We charge for these programs and all travel, meals and lodging costs of Your attendees If You fail the Anago Orientation Program, You must attend corrective measures classes in the areas the Orientation officer feels are necessary for You to successfully complete the Anago Orientation Program If You lose or are transferred from an Initial Business Account due to non-performance or Client dissatisfaction, and We deem it in Your best interest for You to attend corrective measures classes, in the areas of deficiency will be required

ITEM 12 - TERRITORY

You will not receive an exclusive territory You may face competition from other franchisees, from outlets that AFI, its affiliates, or We own, or from other channels of distribution or competitive brands that AFI, its affiliates or We control However, You will be offered Accounts within the Counties of Sacramento, Nevada, Placier, El Dorado, San Joaquin, Yolo, and Solano in the state of California (the "Area") All transfers and/or relocation of a Franchisee must be approved by the Franchisor which will not be unreasonably withheld providing the Franchisee is not in default of the Franchise Agreement and providing any such relocation shall not or will not infringe upon any of the rights of another holder of an Anago Franchise Agreement You will not receive any protected territory We may open and operate Company Units and franchise to other Franchisees the Anago Unit Franchise or engage any other method of distribution, in Our complete discretion, wherever We determine, including within the Area Neither We, nor AFI is restricted from soliciting or accepting orders from customers anywhere, including in close proximity to You We, AFI and Our respective affiliates have the right to use other channels of distribution, including the Internet, catalog sales, telemarketing or other direct marketing sales, to make sales within Your Area of operation using the Proprietary Marks or other marks We are not required to pay You any compensation for soliciting or accepting orders from any customer, including in Your Area of operation

You are not permitted to solicit or accept orders from customers outside of Your Area of operation without Our prior written approval You are not permitted to use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales outside of Your Area of operation

Neither We, nor any of Our affiliates, have any present plan or intention to operate or franchise a business under a different trademark that will sell goods or services similar to those You will offer We reserve the right to do so in the future

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

ITEM 13 -TRADEMARKS

We grant You a license to use the Proprietary Marks under Your Unit Franchise Agreement Your rights to use the Proprietary Marks are derived solely from Your Unit Franchise Agreement and are limited to the operation of Your Business under Your Unit Franchise Agreement and all applicable standards, specifications, and operating procedures We require during the term Any unauthorized use of the Proprietary Marks is a breach of Your Unit Franchise Agreement and an infringement of Our, AFI's and ACS's rights in and to the Proprietary Marks Your use of the Proprietary Marks and any goodwill established by Your use inures to AFI's and ACS's exclusive benefit

Registrations and Applications

The "Anago" trademark is currently owned by ACS and has been registered on the Principal Register of the United States Patent and Trademark Office ("USPTO") All required affidavits have been filed in connection with the registered trademarks

Registered Mark:			
Mark	**Class**	**Registration Date**	**Registration Number**
ANAGO	35	March 4, 2003	2692150
Anago CLEANING SYSTEMS	35	December 31, 2013	4458199
Anago	35	January 28, 2014	85909027
Anago	37	February 20, 2018	5405798
Anago Cleaning Systems	35	February 18, 2014	85908910
We Clean America's Businesses	35	November 11, 2014	86107842
Our Business is Cleaning Yours	35	June 17, 2014	86107727
Our Mission Our Franchisees *Their* Success	35	June 17, 2014	86107802
The Superior Choice for Commercial Cleaning	35	July 15, 2014	86107902
The Superior Choice for Commercial Cleaning	37	January 16, 2018	5380662
Big or Small, We Clean Them All	37	April 25, 2017	5,191,263

Proceedings

There are no currently effective material determinations of the United States Patent and Trademark Office ("USPTO"), Trademark Trial and Appeal Board, the Trademark Administrator of any state or any court There are no currently pending infringement, opposition or cancellation proceedings There is no currently pending material litigation involving the Proprietary Marks

Agreements

ACS owns the service mark and logo "Anago" and all other trademarks, service marks, trade names, logos and commercial symbols authorized for use as part of the System (the "Proprietary Marks") Under a license agreement dated June 1, 2012 (the "License Agreement"), ACS granted

AFI the right to use and sublicense the use of the Proprietary Marks The License Agreement is for a ten year term, with unlimited automatic one year renewal terms AFI has the right to renew the License Agreement if it is not in default ACS has the right to terminate the License Agreement if AFI commits a default and does not cure the default within the specified time period, or if ACS sends AFI notice of non-renewal 45 days before the expiration of the current term If the License Agreement is terminated, and ACS does not elect to assume Our Subfranchise Rights Agreement with AFI, You will not be permitted to use the Proprietary Marks in the operation of Your business and Your Unit Franchise Agreement may be terminated

AFI granted us a license to use and sublicense the use of the Proprietary Marks in counties of Sacramento, Nevada, Placier, El Dorado, San Joaquin, Yolo, and Solano in the state of California under the Terms of the Subfranchise Rights Agreement The Subfranchise Rights Agreement is for an initial term of 10 years and may be renewed for successive 10-year periods If the Subfranchise Rights Agreement is terminated or expires, AFI, or its designee, has the right to assume Our obligations under Your Unit Franchise Agreement If AFI, or its designee, assumes Your Unit Franchise Agreement, You will be permitted to continue using the Proprietary Marks under the terms of Your Unit Franchise Agreement If AFI, or its designee, does not assume Your Unit Franchise Agreement, You will not be permitted to continue using the Proprietary Marks and Your Unit Franchise Agreement may be terminated

There are no other Agreements currently in effect that significantly limit Our rights to use or sublicense the use to Franchisees of the Proprietary Marks in any manner material to You

Infringing Uses

There are no infringing uses or superior prior rights actually known to Us that could materially affect Your use of the Proprietary Marks However, ACS's assertion of common law rights to Proprietary Marks does not prohibit others from using the Proprietary Marks or confusingly similar variations of the Proprietary Marks who may have established prior rights to the use of the Proprietary Marks, or confusingly similar variations of the Proprietary Marks, in the territories where neither We nor Our Franchisees have operated or advertised under the Proprietary Marks and that are not within the natural zone of expansion for future franchised or company-owned Units, provided others do so in good faith and without actual knowledge of Our existence or Our Franchisees' use of the Proprietary Marks ACS would therefore be unable to prohibit the use of the Proprietary Marks by others who had prior use of the Proprietary Marks or confusingly similar variations of the Proprietary Marks at the time ACS first used them If others establish prior rights to the Proprietary Marks in certain territories, We may be restricted in Our ability to use the Proprietary Marks when expanding into those territories

Indemnification of You

Upon any claim of infringement, unfair competition or other challenge to Your right to use any Proprietary Mark, or if You become aware of any use of or claims to any Proprietary Marks by persons other than Us, ACS, AFI or their or Our franchisees, You must notify Us (within 7 days) in writing You may not communicate with anyone except Us, ACS, AFI and Our counsel in any infringement, challenge or claim except under judicial process We, ACS, and/or AFI have sole discretion as to whether we take any action in any infringement, challenge or claim, and the sole right to control any litigation or other proceeding involving any infringement, challenge or claim of any Proprietary Marks

We will indemnify You against and will reimburse You for all damages that You are held liable for in any proceeding involving Your use of any Proprietary Marks in accordance with the Unit Franchise Agreement, provided that You (a) have timely notified Us of the claim, (b) have complied with the Unit Franchise Agreement, and (c) allow Us sole control of the defense and settlement of any claim You also must sign all instruments and documents, render all assistance, and do all acts that Our, ACS's or AFI's attorneys deem necessary or advisable in order to protect and maintain Our or their interest in any litigation or proceeding involving the Proprietary Marks or otherwise to protect and maintain Our and their interests in the Proprietary Marks

Modification

If We or AFI deem it advisable, in Our or their sole discretion, to modify or discontinue the use of any Proprietary Mark and/or use one or more additional or substitute names or marks, including due to the rejection of any pending registration or revocation or cancellation of any existing registration of any of the Proprietary Marks or the rights of senior users, You are obligated to do so within 30 days of Our request

ITEM 14 - PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents

We do not own any rights in any patents material to the franchise offered under this Disclosure Document

Copyrights

Although an application for copyright registration for the Manual has not been filed, ACS and AFI claim a copyright in the Manual and the information contained in the Manual The Manual contains proprietary information and trade secrets belonging to AFI and ACS You must treat the Manual and any other manuals created by Us, AFI and/or ACS as confidential and You must use all reasonable efforts to keep this information secret and confidential You must also promptly tell Us if You learn about any unauthorized use of this proprietary information Neither We, nor AFI, nor ACS are required to take any action but will respond to this information as We or they think appropriate

The copyrights have not been registered in the United States Copyright Office but may be in ACS's and/or AFI's sole discretion

There are currently no effective determinations of the United States Copyright Office or any court regarding any of Our, ACS's or AFI's copyrights, nor are there any currently effective agreements between Us and third parties pertaining to Our, ACS's or AFI's copyrights that will or may significantly limit Your use of Our, ACS's or AFI's copyrighted materials, other than the Subfranchise Rights Agreement Upon any infringement of or challenge to Your use of any copyrighted work, You are obligated to immediately notify Us and We have sole discretion to take any action, as We deem appropriate

If We deem it advisable to modify or discontinue use of any copyrighted work and/or use one or more new or derivative copyrighted work, You are obligated to do so

We are not required by the Unit Franchise Agreement to defend You against any infringement, unfair competition or other claim respecting Your use of any copyrighted work

There are no infringing uses actually known to Us that could materially affect Your use of the copyrights

You are prohibited from copying the Manual You must keep the Manual in a secure place at all times You must also make sure that Your copy of the Manual is kept current and up to date If there is any dispute concerning the content of the Manual, the Terms of the master copy of the Manual maintained by Us at Our home office is controlling

Confidential Information

The Manual and other copyrighted materials made available to You contain confidential and proprietary information and are Our, ACS's and/or AFI's trade secrets We, ACS and/or AFI possess and will continue to develop certain confidential and proprietary information and trade secrets consisting of the following categories of information, methods, techniques, procedures and knowledge, whether developed by Us, ACS, AFI, Our or their Affiliates, or Our or their franchisees (the "Confidential Information") including (1) methods, techniques, tools, specifications, standards, policies, procedures, information, concepts, systems, and knowledge of the experience in Our or their development, operation and franchising, (2) marketing and promotional programs, (3) knowledge of specifications for and knowledge of suppliers of certain materials and equipment, and (4) knowledge of Our or their customer lists, operating results and financial performance

We may disclose to You parts of the Confidential Information as are required for the operation of the Business during the Anago Orientation Program in the Manual, and in guidance and assistance furnished to You during the term of Your Unit Franchise Agreement, and You may learn additional Confidential Information during the term You may not, at any time, communicate, divulge or use any Confidential Information, trade secrets, knowledge or know-how concerning the methods of operation of the franchise which You learn, including client information, product information, sales information, pricing information and merchandising systems You may divulge the Confidential Information only to those of Your employees that must have access to it in order to operate the Business Any information, knowledge, know-how or techniques, including drawings, materials, equipment, specifications, techniques and other data which We mark as confidential, and any information, knowledge or know-how which comes from an analysis of this data is confidential, except information which You can show came to Your attention before it was given to You by Us or which is or becomes publicly known (without You or a third party violating an obligation to Us)

All persons whom You permit to have access to the Manual or any other Confidential Information, must first sign Our form of confidentiality agreement These agreements must identify Us, AFI and ACS as third party beneficiaries with the independent right to enforce them

ITEM 15 - OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You are not Our employee or partner, nor does the Unit Franchise Agreement create a joint venture relationship between You and Us Rather, you are an independent contractor subject to Our rights under Your Unit Franchise Agreement We do not control or have the right to control, decisions regarding the persons You hire, discipline or terminate as employees or agents We do not control or have the right to control Your other day to day business activities

If You are a Corporation, limited liability company, or partnership, each shareholder, member or partner must sign an agreement guaranteeing all of Your obligations under the Unit Franchise Agreement Either You or one of Your owners (if you are a legal entity) must personally participate in the day-to-day operation of Your Business

You understand that should We default on Our Agreement with AFI, then AFI will assume Our duties and You will meet all obligations under Your Unit Franchise Agreement the same as You would have with Us

ITEM 16 - RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may use Your Anago Unit Franchise only for the operation of Your Business You must keep the Anago Business open and in normal operation for the minimum hours and days as We require in the Manual or otherwise in writing except as may be limited by local governmental regulation or the landlord's rules and regulations

In operating Your Business, You must sell or offer for sale only the products and services that meet Our uniform standards of quality and quantity, as We have expressly approved in the Manual or otherwise in writing You must offer for sale all approved products and services, must refrain from any deviation from Our standards and specifications for providing or selling the approved products and services without Our written consent, and must discontinue selling and offering for sale any items as We, in Our discretion, disapprove in writing Product and services mean janitorial services, chemical products and/or paper products provided to the clients All products and services you offer to clients under the Anago brand must be approved by Us prior to any sale We have the right to change the authorized products and services at any time Sale of products and services to Your affiliates, if any, must be on terms regularly applicable to Your nonaffiliated customers, and in all cases must be at arm's-length We may periodically set the maximum and minimum price that You may charge for services and products

ITEM 17 - RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP

Provision	**Section in franchise or other agreement**	**Summary**
a Length of the franchise Term	Section 16 1	The initial term of the Unit Franchise Agreement is 10 years beginning on the date the Unit Franchise Agreement is signed
b Renewal or extension of the term	Section 16 2	You have the right to renew for an unlimited number of additional terms of 10 years each, if You meet the requirements for renewal
c Requirement for franchisee to renew or extend	Section 16 2[1]	1 You must give Us written notice of Your intention to exercise the option at least 9 months but no more than 12 months before the end of the Term, 2 You must not be in default of Your Unit Franchise Agreement or any other agreement with Us or Our affiliates, 3 You must sign and deliver to Us a Successor Anago Franchise Agreement, which may contain materially different terms or conditions than Your original contract, within 30 days before the end of the term, 4 You must comply with all other requirements We impose under the Successor Anago Franchise Agreement, and 5 You must sign a general release of all claims against Us and Our Affiliates, and Our and their respective officers, directors, shareholders, agents and employees

Provision	Section in franchise or other agreement	Summary
d Termination by Franchisee	Section 11 1	You do not have the right to terminate the Unit Franchise Agreement prior to its expiration without written consent from Us
e Termination by Franchisor without cause	Not applicable	Not applicable
f Termination by Franchisor with cause	Sections 11 2, 11 3 and 11 4	We may only terminate Your Unit Franchise Agreement with cause
g "Cause" defined – curable defaults	Sections 11 3 and 11 4	The following defaults may be cured 1 Threat to public safety remains uncorrected for 5 days after Your receipt of notice of such threat, 2 Violation of any health, safety or sanitation law that is not corrected within 3 days of receipt of notice, 3 Any other default, other than those specified in Sections 11 2 and 11 3 of Your Unit Franchise Agreement, may be cured within 30 days of written notice from Us of the default

Provision	Section in franchise or other agreement	Summary
h "Cause" defined – non-curable defaults(2)	Sections 11 2 and 11 3	The following defaults may not be cured 1 You damage the System through any violation of a federal, state or local environmental law, 2 Insolvency or general assignment for creditors, 3 Filing in bankruptcy and the petition is not dismissed within 45 days, 4 Adjudication of bankruptcy, 5 Filing for appointment of a receiver or custodian, 6 Appointment of a receiver or custodian, 7 Filing for composition with creditors, 8 Final judgment of $5,000 or more remains unsatisfied for 30 days or longer, 9 Execution of levy, 10 Filing of foreclosure suit is not dismissed within 45 days, 11 Sale of Your assets after levy, 12 Cease to perform contracted services for more than 3 consecutive days without Our consent, 13 Failure to maintain cleanliness or sanitation standards, 14 Conviction of any offense that might materially adversely affect the System or the Proprietary Property, 15 You deny Us Our right of inspection or audit, 16 You engage in deleterious conduct, 17 Unauthorized assignment, 18 Breach of confidentiality or non-competition provisions of Your Unit Franchise Agreement, 19 You knowingly maintain false books or Records, 20 You misuse any of the Proprietary Property, 21 Three or more notices of default for the same or similar defaults

Provision	Section in franchise or other agreement	Summary
i Franchisee's obligations on termination/non-renewal	Section 6 2, Article 12[(2)], Subsection 13 1(b), and Section 14 2	You must 1 Not solicit any Anago clients or otherwise engage, directly or indirectly, in a competitive business for 24 months after the termination or expiration of Your Unit Franchise Agreement 2 Indemnify Us from any losses or damages We sustain as a result of Your ownership or operation of the Business, 3 Maintain confidentiality of all Our Confidential Information, 4 Cease operating Your Business, 5 Pay all amounts You owe to Us, 6 Avoid unfair competition with Us, 7 Return all Proprietary Property and other physical property containing the Proprietary Marks to Us, 8 Return any equipment We loaned to You, 9 Discontinue use of Proprietary Property and Proprietary Marks, including all stationery, signage and other materials containing the Proprietary Marks, 10 Not represent yourself as a present or former franchisee of Us or in any way affiliate yourself with the System, 11 Cease using websites, social media accounts and other printed and electronic qualifiers associated with the Business, 12 Cancel any fictitious, trade or assumed name registrations that contain the Proprietary Marks or a colorable imitation of the Proprietary Marks and furnish us evidence of compliance with this obligation within 30 days after termination or expiration, and 13 If the Unit Franchise Agreement was terminated as a result of your default, pay Us liquidated damages

Provision	Section in franchise or other agreement	Summary
j Assignment of contract by Franchisor	Section 10 1	We may assign the Unit Franchise Agreement without Your consent, however, we need AFI's written consent to do so
k "Transfer" by Franchisee - defined	Sections 10 2 and 10 3	Transfer means any sale, assignment, transfer, conveyance or gift, whether voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise, of any direct or indirect interest in Your Unit Franchise Agreement or in Your Business A transfer of less than 25%, in the aggregate, of the voting rights or ownership interests in You is not considered a transfer
l Franchisor approval of transfer by Franchisee	Section 10 2	We have the right to approve or disapprove of any transfers, except that Our consent is not required for (i) a transfer of less than a 5% interest in a publicly held corporation, or (ii) a transfer of all or any part of Your interest to one of Your other original owners

Provision	Section in franchise or other agreement	Summary
m Condıtıons for Franchısor approval of transfer	Sectıons 10 2 and 10 3	1 You are not ın default under any agreement You have wıth Us or our affilıates, 2 You must sıgn a general release of Us, our affilıates, and our and theır respectıve officers, dırectors, shareholders, representatıves, and agents, 3 The transferee may not have any other busıness that competes wıth Us or any Unıt Anago Franchıse, 4 The transferee must assume Your Unıt Franchıse Agreement, 5 The transferee must pay a transfer fee of the greater of $2,000 or 10% of the sale prıce, 6 The transferee must demonstrate to Our satısfactıon that ıs has the busıness and personal skılls, reputatıon and financıal capacıty we then requıre of franchısees, 7 The transferee must satısfactorıly complete Our applıcatıon procedures, 8 The transferee must successfully complete the Anago Orıentatıon Program, and, 9 We must approve of the proposed terms of sale or other factors ınvolved ın the transfer
n Franchısor's rıght of first refusal to acquıre Franchısee's busıness	Not applıcable	We have no rıght of first refusal to purchase Your Busıness
o Franchısor's optıon to purchase Franchısee's busıness	Not applıcable	We have no rıght to purchase Your Busıness

Provision	Section in franchise or other agreement	Summary
p Death or disability of Franchisee	Section 10 3	If You become disabled and are unable to perform your obligations under the Unit Franchise Agreement for a continuous period in excess of 3 consecutive months, you must provide a replacement manager satisfactory to Us Upon Your death (or the death of any individual who holds a 25% or greater voting or ownership interest in You, if you are a legal entity), Your interest in the Business (or their interests in You) must be transferred within 6 months of Your (or their) death in accordance with the transfer provisions of Your Unit Franchise Agreement
q Non-competition covenants during the term of the franchise	Subsection 13 1(a)	You may not 1 Directly or indirectly, influence any of Our parents, subsidiaries, affiliates or clients to modify their relationship with Us, 2 Directly or indirectly, as owner, officer, director, employee, agent, lender, broker, consultant, unit franchisee or in any other capacity be connected with the ownership, management, operation, control or conduct of a Competitive Janitorial Franchised Business, or 3 Interfere with Our business or the business of any of Our other franchisees "Competitive Janitorial Franchised Business" means a business that is engaged, wholly or partially, directly or indirectly, in the janitorial services business or selling unit franchises of janitorial services businesses

Provision	Section in franchise or other agreement	Summary
r Non-competition covenants after the franchise is terminated or expires	Subsection 13 1(b)	You may not, for 24 months after the termination or expiration of Your Unit Franchise Agreement 1 Influence any of Our parents, subsidiaries, affiliates or clients to modify their relationship with Us, 2 Directly or indirectly, as owner, officer, director, employee, agent, lender, broker, consultant, unit franchisee or in any other capacity be connected with the ownership, management, operation, control or conduct of a Competitive Janitorial Franchised Business, or 3 Interfere with Our business or the business of any of Our other franchisees
s Modification of the Agreement	Sections 6 3, 18 2 and 18 3 and 18 7(b)	Your Unit Franchise Agreement may not be modified without the written consent of both You and Us except 1 We may change the contents of the Manual, 2 We may modify the System, and 3 A court may modify any provision of Your Unit Franchise Agreement in accordance with applicable law
t Integration/merger clause	Sections 15 1 and 18 17	Only the Terms of the Unit Franchise Agreement and other related written agreements are binding (subject to state law) However, nothing in the Unit Franchise Agreement is intended to disclaim Our representations made in this disclosure document Any representations or promises made outside the disclosure document and the Unit Franchise Agreement may not be enforceable

Provision	Section in franchise or other agreement	Summary
u Dispute resolution by arbitration or mediation	Section 18 11	All disputes between the parties shall be determined solely by arbitration The arbitration shall be conducted by the American Arbitration Association within 50 miles of our then current principal place of business (currently, Roseville, California)
v Choice of forum	Section 18 10	Any action begun for the purpose of enforcing the Unit Franchise Agreement will be filed in the courts where Our principal business address is located at the time of the filing of the action (currently, Roseville, California) (subject to state law)
w Choice of law	Section 18 15	Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U S C Sections 1051 et seq) or the United States Arbitration Act (9 U S C Section 1 et seq), the Unit Franchise Agreement is interpreted under the laws of California

(1)**Reinstatement and Extensions.** If any termination or expiration of the Term would violate any applicable law, We may reinstate or extend the Term for the purpose of complying with the laws, for the duration We provide in written notice to You, without waiving any of Our rights under, or otherwise modifying, the Unit Franchise Agreement To the extent reinstatements or extensions are permitted by Us and/or required by applicable law, You would be required to sign Our then-current form of Franchise Agreement, which may contain materially different Terms and conditions than Your prior Agreements

(2)**Termination of Bankruptcy.** A provision in Your Unit Franchise Agreement that terminates Your Anago Unit Franchise Agreement upon Your bankruptcy may not be enforceable under Title 11, United States Code Section 101 et seq

ITEM 18 - PUBLIC FIGURES

Neither we nor AFI 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 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

Although You may purchase an Anago Unit Franchise that guarantees You will be offered a specific amount of monthly billing ("Initial Business"), the total gross billings and revenue for any specific month attained may not be directly related to Our offers There are several factors that can affect revenue amounts owed to Your Anago Franchise, some examples are

(a) Initial Business may be offered at different times and at varying amounts,

(b) You may, at Your option, decline some or all of the business offered, and

(c) Accounts that You do service may cancel or request a change of franchise service providers due to circumstances directly under Your control

ITEM 11 of this FDD has a detailed explanation of the conditions governing the offering of Initial Business

Among other factors that may affect Your profits are the quality of management and service You provide to the client, the actual service production rate achieved by Your employees, financial expenditures in the acquisition and operation of the franchise, federal and local taxes, as well as accounting methods used may also affect the level of realized gross and net gains by Your Anago Unit Franchise

Under the Terms of the Unit Franchise Agreement, We agree to secure and offer You the opportunity to service signed commercial cleaning and/or maintenance contracts that in total would provide a minimum in Gross Monthly Billing in an amount defined as the "Initial Business" These contracts will be secured and offered within the number of days identified below as the "Initial Offering Period," such time period beginning on the date all required major and minor equipment and supplies have been obtained and the Orientation Acknowledgment is signed, or a later date as discussed later in this ITEM

The total revenue and the total gross billings for any specific month realized by You may not be directly related to Our performance or Our obligation to offer the Initial Business required by the Unit Franchise Agreement The amount of revenue is affected by many factors, such as (i) the Initial Business may be offered in stages during the initial offering period, (ii) You may not accept all of the Accounts offered, (iii) Accounts may cancel the contract or request a change of Franchisee due to poor performance by You, or (iv) the Account may go out of business before the end of the contract period

Other factors that affect the amount of revenue You realize include the quality of management and service, the rate of cleaning production You achieve, the extent that You finance the acquisition and/or operation of the franchise, Your legal, accounting and other professional fees, federal, state and local income taxes, gross profits or other taxes, discretionary expenditures, and accounting methods used

We will make a good faith effort to secure and offer Accounts to You as soon as possible, but We will have the total period to offer the Initial Business under each Program and We are not obligated to offer any portion of the Initial Business before the end of that time We calculate the beginning of the Initial Offering Period from the date You sign the Orientation Acknowledgment and You obtain all required equipment and supplies

The actual time to secure and offer the Initial Business to You may, at Our sole discretion, be automatically extended if You lose or transfer an Initial Account due to Your poor service or the Client's dissatisfaction

All Accounts offered will apply toward the minimum amount of business as specified in Your Unit Franchise Agreement, regardless of whether the offered business is accepted or declined by You Our obligation is to secure and offer those Accounts to You within the specified time However, You might choose not to accept some of the Accounts offered That is why the Unit Franchise Agreement says that We will secure and "offer" those Accounts to You We can only make a good faith effort to offer the amount of Initial Business for the Program specified, and You must choose to accept or decline the "offer" Under a situation where You either decline an offer of an Account or an Account cancels at no fault of You, We are relieved of Our obligation regarding the Initial Offering period for that amount of Gross Monthly Billing, however, We will at some point in the future, offer that amount of contract billings to You without C-Fees

If an Account cancels due to no fault of yours before You service the Account for 12 full months, the remaining portion of that Account will be replaced within a reasonable period of time by another Account or combination of Accounts until a cumulative total of 12 full months of billings between both the original Account and any replacement Account(s) occur There is no obligation for Us to replace the Account if the Accounts are canceled before the full term or canceled for reasons controllable by you

If We are unable to secure and offer You the full amount of Initial Business within the time frame allocated for the Initial Offering Period in the Program You purchase, an amount equal to 2 85 times the amount of Initial Business not offered to You will be refunded Any refund will be first applied to any outstanding balance on Your promissory note You owe Us, with the remaining sum, if any, paid to You A refund under this provision will fulfill Our obligation to offer any remaining portion of the Initial Business This is Your only remedy if We fail to meet the offering period obligations

We do not make any representations about a Franchisee's future financial performance or the past financial performance of company-owned or franchised outlets We also do not authorize Our employees or representatives to make any such representations either orally or in writing If You are purchasing an existing outlet, We may provide You with 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 Jesse Hammondat MNBV, Inc Anago Anago of Sacramento, 1911 Douglas Blvd, Suite 85, Roseville, CA 95661, phone number (916) 782-3300, as well as the Federal Trade Commission and the appropriate state regulatory agencies

ITEM 20 - OUTLETS AND FRANCHISEE INFORMATION

The followıng tables reflect ınformatıon for Our unıt franchisees

TABLE NO 1

SYSTEMWIDE OUTLET SUMMARY FOR YEARS 2015 TO 2017

Outlet Type	Years	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchısed	2015	15	15	0
	2016	15	14	-1
	2017	14	15	1
Company Owned	2015	0	0	0
	2016	0	0	0
	2017	0	0	0
Total Outlets	2015	15	15	0
	2016	15	14	-1
	2017	14	15	1

TABLE NO. 2

TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE SUBFRANCHISOR) FOR YEARS 2015 TO 2017

State	Year	Number of Transfers
Calıfornıa	2015	1
	2016	0
	2017	0
Total	2015	1
	2016	0
	2017	0

TABLE NO. 3

STATUS OF FRANCHISED OUTLETS
FOR YEARS 2015 TO 2017

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
California	2015	15	2	2	0	0	0	15
	2016	15	1	0	0	0	2	14
	2017	14	3	0	0	0	2	15
Total	2015	15	2	2	0	0	0	15
	2016	15	1	0	0	0	2	14
	2017	14	3	0	0	0	2	15

TABLE NO. 4

STATUS OF COMPANY OWNED OUTLETS
FOR YEARS 2015 TO 2017

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
California	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0
Total	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0

TABLE NO 5

PROJECTED OPENINGS AS OF DECEMBER 31, 2017

State	Franchise Agreements Signed But Unit not Yet in Operation	Projected New Franchised Outlet Openings During The Next Year	Projected Company Owned Outlet Openings During The Next Fiscal Year
California	0	12	0
Total	0	12	0

The following tables reflect information for all Anago Unit Franchisees

TABLE NO. 1

SYSTEMWIDE OUTLET SUMMARY FOR YEARS 2015 TO 2017

Outlet Type	Years	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2015	1161	1111	-50
	2016	1111	1186	75
	2017	1186	1273	87
Company Owned	2015	0	0	0
	2016	0	0	0
	2017	0	0	0
Total Outlets	2015	1161	1111	-50
	2016	1111	1186	75
	2017	1186	1273	87

TABLE NO. 2

TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN FRANCHISOR) FOR YEARS 2015 TO 2017

State	Year	Number of Transfers
California	2015	2
	2016	1
	2017	4

Florida	2015	7
	2016	5
	2017	9
Georgia	2015	1
	2016	0
	2017	0
Maryland	2015	2
	2016	0
	2017	0
North Carolina	2015	1
	2016	0
	2017	1
Ohio	2015	1
	2016	2
	2017	0
Pennsylvania	2015	1
	2016	0
	2017	0
South Carolina	2015	1
	2016	0
	2017	0
Texas	2015	0
	2016	0
	2017	2
Utah	2015	0
	2016	1
	2017	1
Virginia	2015	1
	2016	0
	2017	0
Total	2015	**17**
	2016	**9**
	2017	**17**

TABLE NO. 3

STATUS OF FRANCHISE OUTLETS FOR YEARS 2015 TO 2017

State	Year	Outlets at the Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Arizona	2015	0	7	0	0	0	0	7
	2016	7	11	0	0	0	3	15
	2017	15	8	0	0	0	5	18
California	2015	94	24	2	0	0	29	87
	2016	87	32	0	0	0	22	97
	2017	97	11	0	0	0	15	93
Colorado	2015	0	2	0	0	0	0	2
	2016	2	4	0	0	0	0	6
	2017	6	7	0	0	0	2	11
Florida	2015	384	70	2	1	0	92	359
	2016	359	73	2	0	0	63	367
	2017	367	79	0	0	0	46	400
Georgia	2015	40	5	0	0	0	12	33
	2016	33	5	0	0	0	7	31
	2017	31	4	0	0	0	2	33
Hawaii	2015	63	8	0	0	0	6	65
	2016	65	7	1	0	0	7	64
	2017	64	18	1	0	0	2	79
Indiana	2015	1	9	0	0	0	0	10
	2016	10	8	0	0	0	7	11
	2017	11	3	0	0	0	6	8
Maryland	2015	75	20	1	0	0	28	66
	2016	66	14	0	0	0	8	72
	2017	72	17	0	0	0	12	77
Michigan	2015	27	11	2	0	0	7	29
	2016	29	6	0	0	0	4	31
	2017	31	10	0	0	0	4	37
Minnesota	2015	4	7	0	0	0	1	10
	2016	10	8	0	0	0	0	18
	2017	18	7	0	0	0	1	24
Nevada	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
	2017	1	8	0	0	0	1	8

New York	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
North Carolina	2015	31	9	0	0	0	12	28
	2016	28	16	0	0	0	3	41
	2017	41	12	0	0	0	7	46
Ohio	2015	124	39	6	0	0	29	128
	2016	128	38	0	0	0	30	136
	2017	136	34	0	0	0	24	146
Oklahoma	2015	23	5	1	0	0	2	25
	2016	25	1	0	0	0	2	24
	2017	24	1	0	0	0	3	22
Pennsylvania	2015	105	14	0	0	0	19	100
	2016	100	27	0	0	0	18	109
	2017	109	13	0	0	0	20	102
Puerto Rico	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
South Carolina	2015	20	4	0	0	0	4	20
	2016	20	4	0	0	0	4	20
	2017	20	7	0	0	0	3	24
Tennessee	2015	100	12	2	0	0	31	79
	2016	79	10	0	0	0	8	81
	2017	81	10	0	0	0	13	78
Texas	2015	25	9	0	0	0	9	25
	2016	25	15	0	0	0	6	34
	2017	34	13	1	0	0	7	39
Utah	2015	12	4	0	0	0	7	9
	2016	9	3	0	0	0	4	8
	2017	8	0	0	0	0	2	6
Virginia	2015	21	4	0	0	0	5	20
	2016	20	0	0	0	0	7	13
	2017	13	3	0	0	0	0	16
Washington D C	2015	12	0	0	0	0	3	9
	2016	9	1	0	0	0	3	7
	2017	7	0	0	0	0	1	6
Totals	2015	1161	263	16	1	0	296	1111
	2016	1111	284	3	0	0	206	1186
	2017	1186	265	2	0	0	176	1273

TABLE NO. 4

STATUS OF COMPANY OWNED OUTLETS FOR YEARS 2015 TO 2017

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Totals	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0

TABLE NO. 5

PROJECTED OPENINGS AS OF DECEMBER 31, 2017

State	Franchise Agreements Signed But Unit not Yet in Operation	Projected New Franchises Outlet Openings During The Next Year	Projected Company Owned Outlet Openings During The Next Fiscal Year
Arizona	0	12	0
California	1	36	0
Colorado	0	12	0
Florida	7	55	0
Georgia	0	8	0
Hawaii	0	12	0
Indiana	0	7	0
Maryland	0	15	0
Michigan	0	12	0
Minnesota	2	9	0
Nevada	0	10	0
New York	0	4	0
North Carolina	1	12	0
Ohio	2	80	0
Oklahoma	0	6	0

Pennsylvania	0	16	0
Puerto Rico	0	0	0
South Carolina	1	12	0
Tennessee	1	0	0
Texas	0	20	0
Utah	0	4	0
Virginia	0	7	0
Washington D C	0	4	0
Totals	15	353	0

Attached as Exhibit C are the names, addresses and telephone numbers of all current unit franchisees under a Unit Franchise Agreement with Us as of December 31, 2017

Also contained in Exhibit C are the names, city and state, and current business telephone numbers (or, if unknown, the last known home telephone number) of every franchisee of MNBV, Inc who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Unit 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.**

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with Us and/or AFI You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with You During the last three fiscal years, some former franchisees have signed confidentiality clauses

We have not created, sponsored, or endorsed any trademark-specific franchisee associations or organizations There are no trademark-specific franchisee associations or organizations that are incorporated or otherwise organized under state law and have requested to be included in this Disclosure Document during the previous fiscal year

ITEM 21 – FINANCIAL STATEMENTS

<u>Our Financial Statements</u>

Attached to this Franchise Disclosure Document as Exhibit D are Our audited financial statements (including the balance sheets, statements of operations and retained earnings, and statements of cash flows) for the past three fiscal years 2015, 2016, & 2017 Our fiscal year ends December 31

<u>ACS' and its Subsidiaries Financial Statements</u>

Attached as Exhibit E are the consolidated audited financial statements (including the balance sheets, statements of operations and retained earnings, and statements of cash flows) of ACS and its wholly-owned subsidiary for the past three fiscal years 2015, 2016, & 2017 ACS' and AFI's fiscal year ends December 31

ITEM 22 – CONTRACTS

The following contracts, agreements and other relevant documents are attached as Exhibits to this Franchise Disclosure Document

Exhibit B - Anago Unit Franchise Agreement
- Exhibit 1 - Orientation Acknowledgment
- Exhibit 6 - Account Assumption Agreement
- Exhibit 7 - Promissory Note
- Exhibit 8 - Guaranteed Payment Option Plan Contract
- Exhibit 9 - Personal Guaranty

Exhibit G – Acknowledgement of Receipt

ITEM 23 – RECEIPTS

Exhibit G of this Disclosure Document contains a detachable document, in duplicate, acknowledging receipt of this Disclosure Document by You You should sign both copies of the Receipt You should retain one signed copy for Your Records and return the other signed copy to MNBV, Inc , dba Anago of Sacramento, 1911 Douglas Blvd, Suite 85, Roseville, CA 95661

EXHIBIT A - STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws We may not yet be registered to sell franchises in any or all of these states

CALIFORNIA

Department of Business Oversight
Toll Free 1 (866) 275-2677

Los Angeles

Suite 750
320 West 4th Street
Los Angeles, California 90013
(213) 576-7505

Sacramento

1515 K Street, Suite 200
Sacramento, California 95814-4052
(916) 445-7205

San Diego

1350 Front Street
San Diego, California 92101
(619) 525-4044

San Francisco

One Sansome Street, Suite 600
San Francisco, California 94104
(415) 972-8559

HAWAII

(state administrator)

Business Registration Division
Department of Commerce and Consumer Affairs
P O Box 40
Honolulu, Hawaii 96810
(808) 586-2722

(agent for service of process)

Commissioner of Securities of the
Department of Commerce and Consumer Affairs
335 Merchant Street
Honolulu, Hawaii 96813
(808) 586-2722

ILLINOIS

Franchise Bureau
Office of the Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

INDIANA

(state administrator)

Indiana Secretary of State
Securities Division, E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

(agent for service of process)

Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6531

MARYLAND

(state administrator)

Office of the Attorney General
Securities Division
200 St Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

(agent for service of process)

Maryland Securities Commissioner
at the Office of the Attorney General
Securities Division
200 St Paul Place
Baltimore, Maryland 21202-2021
(410) 576-6360

MICHIGAN

(state administrator)

Michigan Attorney General's Office
Consumer Protection Division
Attn Franchise Section
G Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48933
(517) 373-7177

(agent for service of process)

Michigan Department of Commerce,
Corporations and Securities Bureau
P O Box 30054
6546 Mercantile Way
Lansing, Michigan 48909

MINNESOTA

Minnesota Department of Commerce
85 7th Place East, Suite 500
St Paul, Minnesota 55101
(651) 296-6328

NEW YORK

(state administrator)

New York State Department of Law
Bureau of Investor Protection
and Securities
120 Broadway
New York, New York 10271
(212) 416-8000

(agent for service of process)

Secretary of State of New York
41 State Street
Albany, New York 12231
(518) 474-4750

NORTH DAKOTA

North Dakota Securities Department
600 East Boulevard Avenue
State Capitol - Fifth Floor
Bismarck, North Dakota 58505
(701) 328-4712

OREGON

Department of Insurance and Finance
Corporate Securities Section
Labor and Industries Building
Salem, Oregon 97310
(503) 378-4387

RHODE ISLAND

Department of Business Regulation
Division of Securities
John O Pastore Complex
Building 69-1
1511 Pontiac Avenue
Cranston, Rhode Island 02920
(401) 462-9645

SOUTH DAKOTA

Department of Labor and Regulation
Division of Securities
445 East Capitol
Pierre, South Dakota 57501-3185
(605) 773-4823

VIRGINIA

(state administrator)

State Corporation Commission
Division of Securities
and Retail Franchising
1300 East Main Street, Ninth Floor
Richmond, Virginia 23219
(804) 371-9051

(agent for service of process)

Clerk, State Corporation Commission
1300 East Main Street
Richmond, Virginia 23219
(804) 371-9733

WASHINGTON

(state administrator)

Department of Financial Institutions
Securities Division
P O Box 9033
Olympia, Washington 98507-9033
(360) 902-8760

(agent for service of process)
Director
Department of Financial Institutions
Securities Division
150 Israel Road, S W
Tumwater, Washington 98501

WISCONSIN

Securities and Franchise Registration
Wisconsin Securities Commission
345 West Washington Avenue, 4th Floor
Madison, Wisconsin 53703
(608) 266-3431

EXHIBIT B – ANAGO UNIT FRANCHISE AGREEMENT

Anago
CLEANING SYSTEMS

ANAGO UNIT FRANCHISE AGREEMENT

Between

MNBV, Inc.
A California Corporation

(We/Us/Our)

and

____
(You/Your)

Dated:___________, 20___

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ANAGO UNIT FRANCHISE AGREEMENT

THIS ANAGO UNIT FRANCHISE AGREEMENT ("**Agreement**") is signed on this ____ day of ____________, 20____, between MNBV, Inc, ("**We**," "**Us**," "**Our**" or "**Subfranchisor**") a California corporation, and ____, [an individual] or [a State corporation OR limited liability company] ("**You**" or "**Your**")

BACKGROUND

A Anago Cleaning Systems, Inc ("**ACS**"), a Florida corporation, owns a distinctive System, including certain Proprietary Property and Proprietary Marks, to be used in the operation of janitorial service businesses under the trade name "Anago " ACS has granted a license to Anago Franchising, Inc ("**AFI**" or "**Franchisor**"), a Florida corporation, to sublicense the use of the System to franchisees and subfranchisors

B We and AFI entered into a subfranchise rights agreement (the "**Subfranchise Rights Agreement**") under which AFI granted Us the right to operate as an Anago subfranchisor and to grant Anago Unit Franchises in the state of California, in the counties of Sacramento, Nevada, Placer, El dorado, San Juaquin, Yolo, and Solano (our "**Subfranchise Territory**")

C You desire to operate a Unit Franchise subject to the terms of this Agreement and to receive the benefits We provide to You under this Agreement

D We have reviewed Your application and have decided to award an Anago Unit Franchise to You as evidenced by this Agreement

E You understand that ACS and AFI are not parties to this Agreement and have no obligation to You

GF All defined terms having the meaning given to them in Section 17 1 or when first used

The parties agree as follows

ARTICLE 1 - APPOINTMENT

SECTION 1.1 GRANT OF UNIT FRANCHISE.

We grant You the right, and You undertake the obligation, to operate 1 Anago Unit Franchise under the System, subject to the terms of this Agreement

SECTION 1.2 NO PROTECTED TERRITORY.

You are not obtaining any exclusive or protected territory You may operate anywhere within the counties of Sacramento, Nevada, Placer, El dorado, San Juaquin, Yolo, and Solano in the state of California (the "**Area**") under the name Anago You cannot operate or provide janitorial services outside the Area We may open and operate Company Units and franchise the Anago Unit Franchise to other Unit Franchisees or engage in any other method of distribution in Our complete discretion whenever, however and wherever We determine, including within the Area You must designate Premises within the Area from which you will manage and administer Your Unit Franchise, whether from your home or from an office location If You do not operate Your Anago Unit Franchise out of Your residence but instead occupy a business premises, such business premises and lease agreement will be subject to our prior written approval, which will not be unreasonably withheld

SECTION 1.3 NATURE OF RELATIONSHIP.

The parties expressly agree that this Agreement is an independent contractor relationship Nothing in this Agreement shall be deemed to constitute or otherwise create an employment, partnership, joint venture or other formal business entity of any kind and the rights and obligations of the parties shall be as expressly set forth herein

ARTICLE 2 - OUR DUTIES

We will provide You with the following assistance and services necessary for the operation of Your Anago Unit Franchise, if You are not in default under this Agreement

SECTION 2.1 ASSIGNMENT OF ACCOUNTS.

Accounts secured by Us through a contract with a Client will be assigned to You until the contract with the Client is terminated, cancelled, or transferred, or any situation arises whereby You errantly cease service to the Account All Accounts will be between Us and the Client All payments made by a Client under an Account will be sent directly to Us You will receive the gross monthly revenues from the Account less the fees owed to Us as stated in Section 3 1 and any other liability You may have to Us You are not permitted to offer, exchange or transfer Accounts that have been assigned to Your Unit Franchise You are not permitted to perform or invoice for janitorial services to Accounts We assign to You outside of the contract You may however solicit and negotiate additional business with Clients assigned to You and We will invoice for those services retaining Our fees earned under this Agreement All Accounts We assign to You must be serviced in accordance with the times, frequency of service and cleaning specifications as determined by the Client

(f) **Offering Period of Initial Business** We will offer to You Accounts generating Gross Monthly Billing under the Program You select in Subsection 3 1(a) within the time period described, after the conditions described below have been satisfied These Accounts will not be offered nor will the Initial Offering Period begin until You have satisfied the following conditions

(ii) You have successfully completed the Anago Orientation Program having obtained an 85% or better on the business operations examination

(iii) Our orientation officer has certified You as qualified to operate an Anago Unit Franchise

(iv) You have signed an orientation acknowledgement in the form attached as Exhibit 1 to this Agreement

(v) You have proof of all necessary business licenses, insurance and permits and have forwarded copies to Us

(vi) You have purchased, leased or currently own the major equipment described in Exhibit 5 and have furnished proof of purchase (for example, serial numbers and sales slips) to Us

(vi) You have formed your Corporation or LLC business entity You have received registration of your fictious name and EIN number and delivered copies to Our office

(vii) You have opened a commercial business checking account in the name of your Corporation or LLC business entity with your ficticious name listed and delivered a voided check to Our office

You are under no obligation to accept Initial Business offered Our obligation is only to "offer" Initial Business to You within the Initial Offering Period Should You decline an offer, You must sign a written statement stating that You have declined the offer A refusal to sign a statement of decline is a material breach under this Agreement and We then have the option of immediately terminating this Agreement All declined offers will satisfy Our obligation to offer those portions of Initial Business within the Initial Offering Period Should You decline all Initial Business offered during the Initial Offering Period, then We have the right to terminate this Agreement If We terminate this Agreement, We will keep all fees You paid to Us and, if You financed a portion of the Initial Fee, the unpaid portion will be forgiven If We do not exercise the right to terminate this Agreement and You have financed a portion of the Initial Fee, the unpaid balance becomes immediately payable

If We are unable to secure and offer You the full amount of Initial Business within the time frame allocated for the Initial Offering Period in the Program You purchase, an amount equal to 2 85 times the amount of Initial Business not offered to You will be refunded You agree and understand that You will not be entitled to any other remedies for our failure to offer the full amount of Initial Business during the Initial Offering Period and this Agreement shall remain binding and in full effect Any refund will be first applied to any outstanding balance on Your Promissory Note You owe Us, with the remaining sum, if any, paid to You A refund under this provision will fulfill Our obligations to offer any remaining portion of the Initial Business

You understand that each Account offered to You as Initial Business may vary in type, size, number of cleans per week and gross amounts paid for the service You understand that each Account offered to You as Initial Business may be located anywhere within the Area

(g) **Assignment of Additional Business** Upon Your completion of the obligations under Subsection 2 1(a), We may offer to You additional Accounts of varying amounts if You are not in default under this Agreement and We determine that You are capable of servicing additional Accounts You are under no obligation to assume these additional Accounts If We offer additional Accounts and You desire to assume these additional Accounts, You must comply with the following

(i) You must demonstrate that You are in compliance with the covenants contained in the Policies and Procedures section of the Unit Franchise Operating Manual

(ii) You must sign an Account Assumption Agreement in the form attached as Exhibit 6 to this Agreement

(iii) You must have sufficient employees, equipment, supplies and working capital to insure proper servicing of the Account

(iv) You must pay, in addition to Royalties, Administration Fees and Advertising Contributions, if any, any other payments such as the optional group insurance and bonding programs, and C-Fees as stated in Subsection 3 1 (f)

(h) **Replacement of Initial Business.**

(vii) If You lose an Initial Account or an Initial Account transfers due to circumstances beyond Your control (such as an Account going out of business or ceasing business for more than 7 days due to a natural disaster) within the first year of the initial Term, We will replace the remaining portion of such Account with another Account or combination of Accounts equal to the remaining portion of the annual amount for such Account For example,

If You are owed and provided an Initial Business account totaling \$1,000 (A) per month that on an annual basis would equal \$12,000 (B) of Initial Business as intended and You were to lose that Account for no fault of Your own after 6 (C) months then We will have fulfilled \$6,000 (D) of the Initial Business leaving a balance still owed to You of \$6,000 (E) We will replace that remaining \$6,000 without C-Fees being charged to You with another Account or Accounts equaling \$500 (F) per month also on an annual basis (See Illustration 1 below)

I/B Owed Monthly (A)		Service Months		I/B Owed Annual (B)
$1,000	X	12	=	$12,000
I/B Provided (A)		Service Months (C)		I/B Provided (D)
$1,000	X	6	=	$6,000
I/B Still Owed Annual (E)		Service Months 12		I/B Per Month Owed (F)
$6,000	–		=	$500

Illustration 1

(viii) If You lose an Initial Account or an Initial Account transfers for the following reasons

(a) Your poor service, or

(b) The Client's dissatisfaction,

within the first year of the contract's Term, We will replace the remaining portion of this Account with another Account or combination of Accounts equal to the remaining portion of the annual amount in the same manner as described in paragraph (i) and Illustration 1 provided, You attend and successfully complete Corrective Measures classes (fees from $0 - $500 apply) and have been certified by Our Orientation Officer as qualified to resume normal Unit Franchise operations Upon notification by Us of Your requirement to attend Corrective Measures classes, Your Initial Offering Period, if still in effect, will be suspended until You have been certified by Our Orientation Officer as qualified to resume normal Unit Franchise operation There is no specific time period in which We are obligated to offer this replacement business

(ix) If You lose an Initial Account or an Initial Account transfers for the following reasons

(a) Your theft or willful destruction of a Client's property,

(b) Abandonment of service without notice to Us,

(c) Use or selling of illegal drugs while performing services,

(d) Use of alcoholic beverages while performing services,

(e) Use of the Client's equipment without approval of the Client,

(f) Change of the service terms without notifying us,

(g) Continuing to service an Account after We have terminated the Account,

(h) Your failure to meet background requirements that may be established by the Client, or

(i) Any other Event of Default has occurred, whether caused by you or your employees, then, We have no obligation to replace the Account and may elect to terminate this Agreement and keep all fees You paid, with the right to demand immediate payment of all amounts owed to Us

SECTION 2.2 ANAGO ORIENTATION PROGRAM.

We will provide the Anago Orientation Program for You (or one of your owners, if you are a legal entity) and two other individuals designated by You within 30 days of the Agreement Date One of the individuals who attends the Anago Orientation Program must guaranty Your obligations under this Agreement if You are a legal entity The Anago Orientation Program consists of 7 classroom sessions and 3 on-site sessions at one of Our existing Account buildings Each classroom and on-site session is a maximum of 8 hours The Anago Orientation Program covers the following items general office cleaning, restroom cleaning, floor maintenance, customer relations, and contract sales The Orientation is provided by the use of video films, lectures and "hands on" applications by Our experienced staff Your employees may attend certain sessions of the Anago Orientation Program as We designate There is no additional fee for Initial Orientation You are responsible for any expenses incurred by You and Your employees in attending the Initial Orientation, including costs of transportation, lodging, meals and any wages paid to your employees

SECTION 2.3 LOAN OF THE MANUAL.

We will loan to You 1 registered copy of the Unit Franchise Operating Manual (with revisions as required) Our practice is to deliver the Manual to You shortly before completing the Anago Orientation Program We will advise you of any changes made by the Franchisor to the Manual You agree to comply with any and all changes If there is any conflict between Your and Our copy of the Manual, the copy we maintain at Our offices will control

SECTION 2.4 LISTS, FORMS AND SCHEDULES.

We will provide to You

(a) A list of required equipment, supplies, materials, inventory and other items necessary to open and operate Your Anago Unit Franchise,

(b) An initial set of forms, including the standard brochure and various operational forms, standardized periodic reporting forms for reporting performance, evaluation, inspection and communication, and

(c) A schedule of items that may be purchased or leased from Us or a designated or approved System supplier

SECTION 2.5 EMPLOYEE INFORMATION AND ASSISTANCE.

You are solely responsible for the hiring, supervision, discipline, promotion and termination of Your employees and the establishment of their salaries You are also solely responsible for the control of Your other day to day business activities, including setting work hours, work schedules, working conditions, following regulations and laws, and You and Your employee's wages

SECTION 2.6 EQUIPMENT AND SUPPLIES.

We will provide to You office and marketing materials as stated in Exhibit 2, cleaning supplies as stated in Exhibit 3 and minor equipment as stated in Exhibit 4 (The cleaning supplies and minor equipment described in Exhibits 3 and 4 are included in the Initial Fee for programs I through X+ Purchasers of programs 0 and 500 must purchase the cleaning supplies and minor equipment separately Purchasers of program VII or higher will receive two (2) complete sets of the cleaning supplies and minor equipment described in Exhibits 3 and 4) If at the time of purchase, you have your own supplies equal to the supplies listed in Exhibits 3 and 4, you may request an equipment waiver, which will reduce Your Initial Fee All Your existing supplies are subject to Our approval and must meet the standards and specifications of the Anago system The replenishment of these materials and supplies will be at the expense of Your business

SECTION 2.7 ASSISTANCE IN INITIAL SET-UP AND FIRST TIME CLEANING.

We will provide to You experienced operational support and accompany You and Your employees during the initial set-up and first time cleaning of the very first Account We assign to You

SECTION 2.8 CONTINUED ASSISTANCE AND SUPPORT.

Upon the opening of Your Anago Unit Franchise, We will provide to You the following

(a) **Invoicing and Accounting Services.** We will provide You with invoicing and accounting services to Accounts We assign to You You are not permitted to directly invoice these assigned Accounts and agree not to invoice any Anago Accounts that have cleaning contracts with Us Accounts being serviced by You that are not Anago Accounts will not be invoiced or covered by Us in any way We will invoice Our Accounts monthly for the cost of services and supplies You render under the contract with the Account We will accept payments from the Accounts we assign to You and maintain those revenue Records for You Money due

You from servicing the Accounts we assign to You will reflect deductions of Royalty Fees, Administration Fees, Advertising Contributions, C-Fees, Note Payments and all other amounts You owe to Us or Our Affiliates and out-of-pocket costs (including attorney's fees and court costs) We incur in enforcing payment of Accounts On or before the 20th day but no later than the 25th day of each month following the month in which services were rendered, We will mail to You all monies collected as recorded in the "Due Owner" column of the Owners Report (monthly statement), less monies due Us in accordance with this Agreement If amounts billed to the Accounts we assign to You are unpaid, You will incur the loss of nonpayment except in instances where We have guaranteed in writing payments to You We will take action to enforce payment at Your discretion and expense We may also initiate action on Our own to recover unpaid amounts of Our fees that would have been collected if the Account had paid as agreed Any Client payments sent or given directly to You must be forwarded to the Anago Regional office Failure to forward any funds You receive to the Anago office will result in a Handling Fee of $100 per payment you fail to forward

Anago will not be responsible for the invoicing or collection of any monies due You for rendering service to Clients not under contract with Us

(b) **Supply Sources.** We will continue to investigate supply sources for better pricing Although You are not required to purchase any cleaning equipment or supplies from Us, We may be able to obtain lower prices on supplies and equipment and will direct You to that supplier without any obligation on Your part to purchase from them

(c) **Field Visits.** You understand and acknowledge that detail of the System is essential to the Anago brand and all Franchised Units in order to (i) develop and maintain quality operating standards, (ii) increase the demand for services sold by Franchised Units and (iii) protect Anago's name and goodwill In an effort to further these interests We have the right to perform periodic quality control visits to each building You clean All operations will be inspected and recommendations will be made to You Our representative will operate from the local Anago office and will be available during normal business hours to answer questions and to assist with Unit Franchise operations

(d) **Assistance with Business Development.** We will, at Our discretion and subject to availability, continue to provide You with estimating expertise, custom proposals and references in order to assist development of Your franchise's business

(e) **Assistance with Clients' Services.** You understand that You are the primary contact for the customer with respect to service complaints and/or requests, however Our local office will accept service calls from Anago Accounts assigned to You and relay these service calls to You in a timely manner

(f) **Telephone Hotline.** We will maintain a telephone "hotline" for informational assistance and emergencies for You and the contact personnel of Accounts assigned to You

(g) **Local Advertising.** We will provide advice on Local Advertising All advertising bearing Anago marks or logos must receive prior written approval from Us

(h) **Promotional Literature.** We will make available to You promotional literature of the Anago System and all pertinent new developments in the janitorial service industry including procedures for improved efficiency to the extent actually known by Us

(i) **Periodic Assistance.** We may provide advisory assistance in the operation and promotion of the Anago Unit Franchise as We deem advisable Advisory assistance may include continuing education and assistance, communication of new developments, improvements in equipment and supplies, and new techniques in advertising, service and management relevant to the operation of Your Anago Unit Franchise through multimedia and service manuals

(j) **Continuing Education.** In order to maintain the highest standards and goodwill for the Anago System, the Proprietary Marks and Franchisees We may provide additional training programs, seminars or continuing education classes for You and Your employees at Our principal business facility If any continuing education is recommended for You by the Regional Office because You have received an unusually high number of complaints from Clients, We may suspend all further business offerings to You until We are satisfied that the deficiencies have been corrected

(k) **Corrective Measures.** If You receive unsatisfactory inspection reports from Us and fail to promptly remedy the deficiencies, We may require You and designated employees to attend corrective measures classes as soon as reasonably possible You are solely responsible for all expenses associated with these programs including the then prevailing standard Orientation fee We charge for these programs and all travel, meals and lodging costs of Your attendees If You fail the Anago Orientation Program, You must attend corrective measures classes in the areas the Orientation Officer feels are necessary for You to successfully complete the Anago Orientation Program If You lose or are transferred from an Initial Business Account due to non-performance or Client dissatisfaction, at our discretion we may require You to attend corrective measures classes in the areas of deficiency (fees apply)

SECTION 2.9 LICENSE OF PROPRIETARY MARKS AND PROPRIETARY PROPERTY.

the terms of this Agreement (including, without limitation, those contained in Article 5), We grant You a license to use the "Anago" trade name and the other Proprietary Marks and Proprietary Property

SECTION 2.10 DUTIES ONLY TO YOU.

All of Our obligations under this Agreement are only to You No other party is entitled to rely on, enforce, or obtain relief for breach of the obligations either directly or by subrogation

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SECTION 2.11 OUR RIGHT TO DELEGATE DUTIES.

You agree to Our right to delegate duties under this Agreement to a Designee approved by the Franchisor You must perform Your duties with the Designee to the extent We request, as You must do with Us

ARTICLE 3 - FEES AND PAYMENTS

SECTION 3.1 TYPES OF FEES.

In consideration of Our signing this Agreement, You must pay to Us the following fees, in addition to any others required under this Agreement, all payable in United States currency at Our principal office

(a) **Initial Fee.** You must pay to Us an Initial Fee payable upon signing this Agreement The Initial Fee is fully earned by Us on receipt and, except as expressly provided otherwise in this Agreement, is nonrefundable upon signing this Agreement The Initial Fee is uniform as to all Unit Franchisees currently purchasing a Unit Franchise selecting the same Program The amount of the Initial Fee is based on the Program You select from the 12+ Programs available The Initial Fee ranges from $4,590 to $25,925 if paid in cash, or $5,400 to $30,500 with down payments ranging from $1,000 to $23,500 if financed You have selected Program number _____, and have chosen to
[*initial your selection*]
[ ] pay the entire Initial Fee in cash, or
[ ] finance a portion of the Initial Fee
Should a part of the Initial Fee be financed, the scheduled monthly payments for the amount financed will begin 120/150/180+ days after the beginning of the Initial Offering Period or when You have been offered Initial Business totaling at least 50% of the Initial Business due You under this Agreement All financing will be at a 12% interest rate

(b) **Royalty Fee** You will pay a continuing monthly nonrefundable Royalty Fee during the Term of 10% of collected monthly Gross Revenues We will retain the Royalty Fee from the payments Clients make and remit the balance to You

c) **Administration Fee.** You will also pay a continuing monthly nonrefundable we assign to You We will retain the Administration Fee from the payments Clients make and remit the balance to You

(d) **Advertising Contribution** Currently, there are no Advertising Contributions being charged You must pay us a monthly Fund (as defined in Section 7 2) advertising contribution of 2% of monthly Gross Revenues We reserve the right to increase the advertising contributions provided the increased monthly advertising contribution will not exceed 2% of monthly Gross Revenues Each advertising contribution is due on the same date and calculated for the same periods as the Royalty, and will be payable in the same manner

(e) **Insurance Program Fees** If You elect to participate in Our insurance program, if available, rather than purchase on Your own the insurance required under ARTICLE 9, You agree to pay Us a fee for our efforts (currently, 8% of monthly Gross Revenues, subject to change in our discretion), plus $2 00 per invoice per Client serviced

(f) **C-Fees.** For the assignment and assumption of any additional Accounts We offer to You and You accept under Subsection 2 1(b), You will pay to Us a non-refundable fee ("C-Fee") The C-Fee is equal to 2 85 times the Gross Monthly Billing of the additional Account and is payable in full at the time of the assumption of the Account or may be financed by Us at Our sole discretion under the Terms listed below in this Section 3 1(f) (Subsections (i) through (xv))

(i) (For any additional Account We offer to You and You accept having Gross Monthly Billing of up to and including $2,000, the C-Fee is equal to 2 85 times the Gross Monthly Billing payable (a) 20% upon assumption of the Account, and (b) the balance payable in 11 equal monthly installments including interest at 12% per year

(ii) (For any additional Account We offer to You and You accept having Gross Monthly Billing from $2,001 up to and including $3,000, the C-Fee is equal to 2 85 times the Gross Monthly Billing payable (a) 20% upon assumption of the Account, and (b) the balance payable in 11 or 17 equal monthly installments including interest at 12% per year Should, for any reason, the Client contract not be renewed after 12 months, and the financing was for 17 months, the remaining balance is immediately due

(iii) For any additional Account We offer to You and You accept having Gross Monthly Billing of $3,001 and above the C-Fee is equal to 2 85 times the Gross Monthly Billing repayable as negotiated by the parties as stated in the Account Assumption Agreement For example, if for any reason, the Client contract is not renewed after 12 months, and the financing was for 18 months, the remaining balance would be immediately due

(iv) (If the C-Fee is paid in full at the time of assumption, the C-Fee will be reduced by 15%

(v) (If the C-Fee is paid in full within 90 days of assumption, no interest charges will accrue

(vi) (The C-Fee of one-time cleans, initial cleans or Extra Work on additional Accounts We secure will be equal to 15% of the gross fee charged to the Client and will not be financed There is no C-Fee on one-time cleans, initial cleans or Extra Work on additional Accounts You secure without using the System and Proprietary Marks

(vii) (If You voluntarily relinquish an additional Account that You have assumed, after 10 days' written notice to Us of Your intent to relinquish, any C-Fee payment still due will be canceled if We are able to have another Unit Franchisee assume the Account and the Client does not cancel within 60 days after the transfer date, otherwise, the C-Fee remains due

(viii) (If You lose an additional Account for the reasons stated in either Subsections 2 1(c) or if You cease service to the Account (for more than 2 days without at least 10 days' written notice and Our consent) or if You abandon Your Anago Unit Franchise and the C-Fee was financed, the entire unpaid amount becomes immediately due upon loss of such Account(or abandonment of Your Unit Franchise If the C-Fee amount You owe after loss, transfer or abandonment of an Account cannot be precisely determined due to fluctuating monthly payments, then an average will be taken of the prior months for which You provided services to the additional Account before the time of loss, transfer or abandonment

(ix) C-Fee payments are discontinued if the Client cancels the janitorial service contract through no fault of yours C-Fees are non-refundable However, credits for C-Fee payments will be made if the Client cancels the janitorial service contract within 180 days from the date of commencement Any credit toward additional contract C-Fees is limited to 15% of paid C-Fees calculated for the contract and is at Our sole discretion, provided that You can verify that the contract was canceled through no fault of yours The difference between the amount You have paid in C-Fees and the amount of credit given will be deemed earned by Us No C-Fee credits are given if You desire to cease servicing the Client or if the contract is canceled as a direct result of You or Your employees fault

(x) (x) On buildings with varying occupancy levels you will pay a monthly C-Fee based on amount of square footage cleaned

(xi) (Should an additional Account request an increase in services and the monthly gross billings increase, no additional C-Fee will be charged

(xii) (There is no C-Fee assessed when You obtain an Account solely through Your own marketing and sales efforts, without assistance from the Regional Office (excluding the preparation of the actual bid proposal)

(xiii) (Partial C-Fees may be assessed at 50% of normal schedule if You need a Regional Office representative to assist with the bid pricing or to close the sale

(xiv) (All C-Fee credits must be requested in writing within 30 days after termination of an Account

(xv) (xv) Accounts that must be transferred from You to another Franchisee will incur the full month's C-Fee

(g) **Operations Fee**. If We elect to procure service to an Account You are currently servicing in order to comply with the Account's requirements or You are unable or unwilling to provide the services, You will be assessed an Operations Fee of $50 plus any labor and materials cost

(h) **Account Transfer Fees**. If a Client gives notice of pending cancellation or requests a transfer due to poor performance on Your part, or poor Client relations, We will assign the Account to another Unit Franchisee or if We have received 3 or more complaints from a Client or Our Operations Department within any 30-day period concerning Your performance and We elect to transfer the Account, an Account Transfer Fee of $100 will be assessed If the transferred Account requires additional work to bring the cleanliness up to acceptable standards, You will be given an opportunity to provide labor and materials, at Your expense and You will be assessed an Additional Account Transfer Fee of $50 or a total of $150 If You cannot or elect not to provide labor and materials, We will procure the necessary labor and materials to the Client and deduct the expense from monies due You If We receive 3 or more complaints during a 30-day period, We may, at Our sole discretion, transfer the Account and assess an Account Transfer Fee of $100 If inspections by Our operations department show a continued lack of proper service and/or poor quality of service, then We have the right to transfer the Account without notice and assess a $100 Account Transfer Fee All other transfers will be assessed a $50 Account Transfer Fee

(i) **Standards Enforcement Fee.** If, regardless of discovery through a Client complaint or an operations department inspection, a lack of performance is found, We will notify You immediately and You will have 2 hours to respond to the complaint If We are unable to make contact with You and Our operations department must respond to the complaint, a Standards Enforcement Fee of $50 00 will also be assessed to You If a complaint is made known to You by Our operations department and You fail to correct the deficiency to Our or the Client's satisfaction on or before Your next contractually scheduled visit, Our operations department will correct the deficiency You will be assessed all costs We incur to correct the complaint

(j) **Handling Fee.** Client payments sent or given directly to You must be forwarded to the Anago Regional Office for processing Failure on Your part to forward any payments will result in a Handling Fee charge of $100 for each payment You fail to forward to Us

(k) **Advance Payment Fee** If We advance collected funds, but the funds are not yet payable to You, You will pay a processing fee of $25 If We loan You uncollected funds, You will pay a processing fee of $25 plus interest at the rate of 18% per annum until fully paid

(l) **Credit Card Charges.** If any Accounts assigned to You pay by credit card or other method that involves a discount or charge to the payee, We will charge You the amount assessed by the credit card processor, currently 6 15% of the billed amount This amount is subject to change based on increases of third party charges The Franchisee will be notified on the 20th of every month if there are any client payments by credit card payments and the amount charged by the processing bank

(m) **Guaranteed Payment Option.** This is an optional program in which We pay You for unpaid Client services If You choose to participate You pay Us 5% of Your total Gross Revenues (see Exhibit 8)

(n) **Corrective Measures Fees.** If You receive unsatisfactory inspection reports from Us and fail to promptly remedy the deficiencies, We may require You and designated employees to attend refresher corrective measures classes as soon as reasonably possible You are solely responsible for all expenses associated with these programs including Our then prevailing standard Corrective Measures Fee ($0 00 to $500 00, as set by Us or Our Affiliate) You will be responsible for all travel, meals and lodging costs of Your attendees If You fail the Anago Orientation Program, You must attend corrective measures classes in the areas the Orientation Officer feels are necessary for You to successfully complete the Anago Orientation Program If You lose or are transferred from an Initial Business Account due to non-performance or Client dissatisfaction, in our discretion we may require You to attend corrective measures classes in the areas of deficiency

(o) **Insurance Coverage (Failure of Franchisee to maintain coverage).** If You fail to maintain the insurance required by this Agreement, We may obtain the required insurance on your behalf (though we have no obligation to do so) and charge You the insurance program fees described in Section 3 1(e)

Deficiencies. If You do not satisfy Your obligations under this Agreement, We may (in our sole discretion) perform Your obligations for You You must reimburse Us for Our costs incurred in performing Your obligations

(q) **Testing and/or Inspection of unapproved products and/or services.** You are required to purchase or lease equipment, supplies advertising materials and other products and services used for the operation of Your Anago Unit Franchise only from authorized manufactures, contractors and other suppliers who demonstrate, to Our continuing reasonable satisfaction (i) the ability to meet Our reasonable standards and specifications for the items, (ii) possess adequate quality controls and capacity to supply Your needs promptly and reliably, and (iii) have been approved in writing by Us and not later disapproved Fee is set and not to exceed reasonable cost of inspection and actual testing (estimated $100-$500)

(r) **Fee for Lost Manual.** Upon the theft, loss or destruction of the Manual, a replacement copy will be loaned to You at a fee of $500 A partial loss or failure to update the Manual is considered a complete loss

SECTION 3.2 PAYMENT SCHEDULE.

The Royalty Fee, Administration Fee, Advertising Contributions and C-Fee will be deducted by Us by the 20th day of each month during the Term for the Gross Revenues derived during the previous month We will mail You a check of the net Gross Revenues within 5 days after making the deductions You will be paid up to the last day of actual service to the Client if the Account is lost or transferred All other amounts due to Us from You will be paid at this time If no time is specified, these amounts are due upon receipt of an invoice from Us Any payment We do not actually receive on or before the due date is overdue

ARTICLE 4 - YOUR DUTIES

SECTION 4.1 OPERATIONAL REQUIREMENTS.

You agree to operate the Anago Unit Franchise in conformity with all uniform methods, standards and specifications required in the Unit Franchise Operating Manual or otherwise, to ensure that the highest degree of quality and service is uniformly maintained You agree to

(a) Open and maintain a separate commercial bank account for the Anago Unit Franchise,

(b) Maintain an internet e-mail connection and purchase a cellular phone as specified in the Manual,

(c) Perform all janitorial services and honor all Anago Accounts You assume,

(d) Comply with the procedures and Systems We require both now and in the future, including those on sales, good business practices, advertising and other obligations and restrictions when operating as an Anago Franchisee,

(e) Not service or solicit any business under the Anago name until You have satisfied the conditions in Subsection 2 1(a),

(f) Maintain in sufficient supply (as We require in the Manual or otherwise in writing) and use at all times, only inventory, equipment, materials, advertising methods and formats, and supplies that conform with Our standards and specifications, if any, at all times sufficient to meet the anticipated volume of business, and to refrain from deviating from these requirements without Our written consent,

(g) Adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct in all dealings with Clients, suppliers, employees, independent contractors, Us and the public,

(h) Sell or offer for sale under the Anago System only the products and services that meet Our uniform standards of quality and quantity, have been approved for sale in the Manual or otherwise in writing by Us at retail to Clients, not sell any items for redistribution or resale, sell or offer for sale all approved products and services, refrain from any deviation from Our standards and specifications for providing or selling the products and services without Our written consent, and discontinue selling and offering for sale under the Anago system any products and services that We disapprove in writing at any time,

(i) Honor all standard operations covenants stated in the Manual,

(j) If You or one of Your employees believes that one of Our employees or agents has engaged in any act of sexual or racial harassment or discrimination, You agree to report the incident to Us within 48 hours, You and Your employees waive any claims against Us or Our employees and agents for such person's conduct,

(k) OpenSet up a corporation to operate Your franchise, within 30 days of signing this Agreement,

(l) Not subcontract out services of any type to any Anago Accounts You assume All Anago Accounts must be serviced only by You or Your employees, and

(m) Comply with any maximum or minimum pricing we may periodically set for products and services offered by Unit Franchises If we impose such a maximum or minimum price for any product or service, you may charge any price for the product or service up to and including our designated maximum price or down to and including our designated minimum price The designated maximum and minimum prices for the same product or service may, at our option, be the same

SECTION 4.2 <u>HIRING, TRAINING AND APPEARANCE OF EMPLOYEES.</u>

You will maintain a competent, conscientious staff and employ the minimum number of employees necessary to meet the anticipated volume of business and to achieve the goals of the System You will take all steps necessary to ensure that Your employees keep a neat appearance and comply with any dress code We require, subject to the requirements of facility managers/Clients You are solely responsible for the Terms of their employment and compensation and the proper training of the employees in the operation of the Anago Unit Franchise You are solely responsible for all employment decisions and functions, including hiring, firing, establishing wage and hour requirements, disciplining, supervising and record keeping You are solely responsible for payment of Your employee's wages earned for services performed on an Anago Account, failure to comply is a material default under this Agreement You will not recruit or hire any employee of an Anago Unit Franchise operated by another Unit Franchisee without obtaining the employer's written permission

SECTION 4.3 <u>MANAGEMENT OF THE ANAGO UNIT FRANCHISE.</u>

(a) If You are not incorporated at the time You sign this Agreement, You must incorporate and assign all rights and responsibilities under this Agreement to Your corporation for the operation of Your franchise within 30 days of signing this Agreement

(b) YouYou (or one of Your owners, if you are a legal entity) must devote Your best full-time efforts to the management and operation of the Anago Unit Franchise You agree that the Anago Unit Franchise requires Your day-to-day supervision

SECTION 4.4 APPROVED SPECIFICATIONS AND SOURCES OF SUPPLY.

(a) **Purchases from Us or Our Affiliates**. You must purchase from Us or an approved supplier the items stated in Exhibits 3, 4, and 5 (The items described on Exhibits 3 and 4 are included in the Initial Fee for programs I through X+ Purchasers of programs 0 and 500 will not receive these supplies as part of the Initial Fee and must purchase them separately) This is in addition to Your ongoing needs for cleaning supplies and other items that We require, if implemented on a System-wide basis

(b) **Authorized Specifications and Suppliers**. You must purchase or lease equipment, supplies, advertising materials, and other products and services used for the operation of the Anago Unit Franchise only from authorized manufacturers, contractors and other suppliers who demonstrate, to Our continuing satisfaction the ability to meet Our standards and specifications for these items, possess adequate quality controls and capacity to supply Your needs promptly and reliably, and have been approved in writing by Us and not later disapproved We may approve a single supplier for any brand and may approve a supplier only as to a certain brand or brands In approving suppliers for the System, We may take into consideration factors like the price and quality of the products or services and the supplier's reliability We may concentrate purchases with 1 or more suppliers to obtain the lowest prices and/or the best advertising support and/or services for any group of Franchised Units or Company Units within the System Approval of a supplier may be conditioned on requirements on the frequency of delivery, standards of service, warranty policies including prompt attention to complaints, and concentration of purchases, as stated above, and may be temporary, pending Our additional evaluation of the supplier We in no way warrant the use of approved vendors or supplies when they are utilized outside the Anago System We may designate a supplier where a Franchisee may go and buy supplies and charge the supplies to the House Account If you use the House Account to purchase supplies and elect to have your purchases deducted from your statement each month, we will charge you a financing fee of 5 25% of the amount charged

(c) **Approval of New Specifications and Suppliers**. If You propose to purchase or lease any equipment, supplies, advertising materials, or other products or services, for use within the Anago System, from an unapproved supplier, You must submit to Us a written request for approval, or request the supplier to do so We will have the right to require, as a condition of Our approval that Our representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered, at Our option, either to Us or to an independent, certified laboratory We designate for testing We are not liable for damage to any sample that results from the testing process You will pay a charge not to exceed the reasonable cost of the inspection and the actual cost of the testing We reserve the right, at Our option, to re-inspect the facilities and products of any approved supplier and continue to sample the products at the supplier's expense and to revoke approval upon the supplier's failure to continue to meet Our standards and specifications We may also require as a condition to Our approval, that the supplier present satisfactory evidence of insurance, for example, product liability insurance, protecting Us and Our Unit Franchisees against all claims from the use of the item within the System

SECTION 4.5 SALES OF PRODUCTS AND SERVICES TO YOUR AFFILIATES.

All sales of products and services to Your affiliates, if any, must be on terms regularly applicable to Your nonaffiliated Clients, and in all cases must be arm's length

SECTION 4.6 COMPLIANCE WITH LAWS, RULES AND REGULATIONS.

You will comply with all federal, state, and local laws, rules and regulations, and will timely obtain, maintain and renew when required all permits, certificates, or licenses necessary for the proper conduct of the Anago Unit Franchise under this Agreement, including qualification to do business, fictitious, trade or assumed name registration, occupational licenses, and OSHA requirements You will provide copies of all inspection reports, warnings, certificates and ratings, issued by any governmental entity during the Term on the conduct of the Anago Unit Franchise that indicates Your material noncompliance with any applicable law, rule or regulation, to Us within 2 days of Your receipt of these items We accept no responsibility for any of Your operations, janitorial or otherwise

SECTION 4.7 TAX PAYMENTS; CONTESTED ASSESSMENTS.

You will promptly pay when due all taxes required by any federal, state or local tax authority including unemployment taxes, withholding taxes, income taxes, tangible commercial personal property taxes, real estate taxes, intangible taxes and all other indebtedness You incur in the conduct of the Anago Unit Franchise You will pay to Us an amount equal to any sales tax, goods and services taxes, gross receipts tax, or similar tax imposed on Us for any payments to Us required under this Agreement, unless the tax is measured by or involves the net income or Our corporate status in a state If We pay any tax for which You are responsible, You will promptly reimburse Us the amount paid If there is any bona fide dispute as to liability for taxes assessed or other indebtedness, You may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law However, You will not permit a tax sale or seizure by levy or signing or similar writ or warrant, or attachment by a creditor, to occur against any assets used in the Anago Unit Franchise

SECTION 4.8 CLIENT SURVEYS; CLIENT LIST.

You will present to Clients all Performance Evaluation forms We require and will participate and/or request Our Clients to participate in all marketing surveys performed by or for Us You will maintain a Current Client list containing each Client's name, address, telephone number and zip code (9 digits) and supply a copy of the list to Us on a quarterly basis You must participate in any process We develop to record all Client information We own all Client lists of Your Unit Franchise This list is Our Confidential Information and will not be disclosed by You to any third party

SECTION 4.9 INSPECTIONS.

You understand and agree that for the protection of the System and Proprietary Marks that quality control is necessary to insure we and all our Franchisees not only continue grow but deliver the best quality of service Therefore You will permit Us and/or Our representatives to enter Your Premises or buildings where You are providing janitorial services at any time for purposes of conducting inspections You will cooperate fully with Us and/or Our representatives in inspections by rendering assistance as we or they reasonably request and by permitting us or them, at our or their option, to observe how You are rendering the services, to confer with Your employees and Our Clients and to remove samples of any products, supplies and materials in amounts reasonably necessary to return to Our office for inspection and record-keeping The inspections may be conducted without notice at any time The inspections will be performed in a manner that minimizes interference with the operation of the Anago Unit Franchise We may videotape the inspections Upon notice from Us, and without limiting Our other rights under this Agreement, You will take all steps necessary to correct immediately any deficiencies detected during inspections, including immediately stopping use of any equipment, advertising, materials, products, supplies or other items that do not conform to Our then-current requirements If You fail or refuse to correct any deficiency, We have the right, without You claiming to the contrary, to enter Your Premises or office without being guilty of trespass or any other tort, for the purposes of making or causing to be made all corrections as required, at Your expense, payable by You upon demand

SECTION 4.10 NOTICES TO US.

(a) You must notify Our local office of any Anago Client complaint within 2 hours of actual receipt of the complaint

(b) You must also notify Us in writing within 5 days of any of the following events

(i) The start of, any action, suit, counter suit or other proceeding against You or any of Your employees,

(ii) Your, or any of Your employees', receipt of any notice of noncompliance with any law, rule or regulation, or

(iii) The issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality against You or any of Your employees

(c) You will provide Us with any information We request, within 5 days of request, about the progress and outcome of events

SECTION 4.11 OPERATIONAL SUGGESTIONS.

You acknowledge and agree that, as between You and Us, We and our licensors are the sole owner of all right, title, and interest in and to the System and any Confidential Information You are encouraged to submit suggestions in writing to Us for improving elements of the System, including products, services, equipment, service format, advertising, procedures and any other ınformatıon relevant to the System You agree that all such suggestıons and any ımprovements, developments, derıvatıve works, enhancements or modıfications to the System and any Confidentıal Informatıon (collectıvely, "**Innovations**") made or created by You, Your employees or Your contractors, whether developed separately or ın conjunctıon wıth Us, shall be owned solely by Us and our lıcensors We have no oblıgatıon to use any Innovatıons and no oblıgatıon to provıde compensatıon for any Innovatıons You may not use any Innovatıons ınconsıstent wıth Your oblıgatıons under thıs Agreement without Our wrıtten consent You represent, warrant, and covenant that Your employees and contractors are bound by wrıtten agreements assıgnıng all rıghts ın and to any Innovatıons developed or created by them to You To the extent that You, Your employees or Your contractors are deemed to have any ınterest ın such Innovatıons, you hereby agree to assıgn, and do assıgn, all rıght, tıtle and ınterest ın and to such Innovatıons to Us To that end, You shall execute, verıfy, and delıver such documents (ıncludıng, assıgnments) and perform such other acts (ıncludıng appearances as a wıtness) as We may reasonably request for use ın applyıng for, obtaınıng, perfectıng, evıdencıng, sustaınıng, and enforcıng such ownershıp rıghts ın and to the Innovatıons, and the assıgnment thereof Your oblıgatıon to assıst Us wıth respect to such ownershıp rıghts shall contınue beyond the expıratıon or termınatıon of thıs Agreement If we are unable for any reason, after reasonable effort, to secure your sıgnature on any document needed ın connectıon wıth the actıons specıfied ın thıs Sectıon 4 11, You hereby ırrevocably desıgnate and appoınt Us and Our duly authorızed officers and agents as Your agent and attorney ın fact, whıch appoıntment ıs coupled wıth an ınterest and ıs ırrevocable, to act for and on Your behalf to execute, verıfy, and file any such documents and to do all other lawfully permıtted acts to further the purposes of thıs Sectıon 4 11 wıth the same legal force and effect as ıf executed by You The oblıgatıons of thıs Sectıon 4 11 shall survıve any expıratıon or termınatıon of the Agreement

SECTION 4.12 LIQUIDATED DAMAGES FOR SALE OF PROHIBITED PRODUCTS OR SERVICES.

Unıt Franchıse wıll result ın damages to Us You agree these damages wıll be measured as $100 for each day that You offer or sell unauthorızed or prohıbıted products or servıces, payable to Us upon demand These damages are ın addıtıon to Our other rıghts ıncludıng Our rıght to strıctly enforce or termınate thıs Agreement as provıded ın thıs Agreement and obtaın ınjunctıve relıef, except to the extent any other rıghts are excluded by law ın lıght of thıs Sectıon The partıes agree that a precıse calculatıon of the full extent of the damages that We wıll ıncur from the offer or sale of unauthorızed products and servıces ıs dıfficult to determıne and We and You desıre certaınty ın thıs matter and agree that the lıquıdated damages are reasonable and are not a penalty

SECTION 4.13 CESSATION OF SERVICE TO CLIENTS ONLY.

You wıll surrender, as dırected by the Regıonal Office or the Clıent, all keys, codes and pass cards to Our Clıents' facılıtıes, after the completıon of the last scheduled day of servıce You wıll remove only equıpment and supplıes belongıng to You

ARTICLE 5 - PROPRIETARY PROPERTY

SECTION 5.1 YOUR USE OF THE PROPRIETARY PROPERTY.

You may use the Proprietary Property only in accordance with standards and specifications We determine You agree that

(a) You will use the Proprietary Property only for the operation of the Anago Unit Franchise,

(b) You will use the Proprietary Marks as the sole service mark identifications for the Anago Unit Franchise and will display prominently the Proprietary Marks on and/or with all materials We designate and authorize, and in the manner We require,

(c) You will not use the Proprietary Property as security for any obligation or indebtedness,

(d) You will comply with Our instructions in filing and maintaining any required fictitious, trade or assumed name registrations for the "Anago" trade name, for example, John Jones d/b/a "Anago" or ABC, Inc d/b/a "Anago,"

(e) You will sign all documents We or Our counsel deems reasonably necessary to obtain protection for the Proprietary Property and Our interest in the property,

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(f) You shall not register or use any domain name or URL that contains, uses or displays the words “Anago Cleaning Systems” or any portion thereof, or the initials “ACS,” or any Proprietary Marks, or other related or confusingly similar words or symbols, unless You first receive Our written consent You may not use Proprietary Mark or any derivation of the Proprietary Marks on the Internet, in any electronic advertising or on social media, without Our prior written consent You may not use any other trade name or marks at your Unit Franchise business, or in connection with your Unit Franchise business without Our express written consent,

(g) If You do not operate Your Anago Unit Franchise out of Your residence but instead occupy a business premises, You will maintain a suitable sign or graphics package at, or near the front of the Premises, on any pylon sign, building directory or other area identifying the Premises only as "Anago " The signage must conform in all respects to Our requirements except to the extent prohibited by local governmental restrictions or landlord regulations, and

((h) You will exercise caution when using the Proprietary Property to ensure that the Proprietary Property is not jeopardized in any manner

SECTION 5.2 INFRINGEMENT BY YOU.

You agree that the use of the Proprietary Property outside the scope of this Agreement, without Our written consent, is an infringement of Our rights in the Proprietary Property You agree that during the Term, and after the expiration or termination of this Agreement, You will not, directly or indirectly, commit an act of infringement or contest or aid in contesting the validity of, or Our right to, the Proprietary Property, or take any other action in derogation of Our rights

SECTION 5.3 <u>CLAIMS AGAINST THE PROPRIETARY PROPERTY.</u>

If there is any claim of infringement, unfair competition or other challenge to Your right to use any Proprietary Property, or if You become aware of any use of, or claims to, any Proprietary Property by persons other than ACS, AFI, Us or Our Unit Franchisees, You will promptly (within 7 days) notify Us in writing You will not communicate with anyone except Us and Our counsel on any infringement, challenge or claim except under judicial process We have sole discretion as to whether We take any action on any infringement, challenge or claim, and the sole right to control any litigation or other proceeding involving any infringement of, challenge or claim to any Proprietary Property You must sign all documents, render all assistance, and do all acts that Our attorneys deem necessary or advisable in order to protect and maintain Our interest in any litigation or proceeding involving the Proprietary Property or otherwise to protect and maintain Our interests in the Proprietary Property

SECTION 5.4 <u>YOUR INDEMNIFICATION.</u>

We will indemnify You against and will reimburse You for all damages You are held liable for in any proceeding from Your use of any Proprietary Property in accordance with this Agreement, but only if You (i) have timely notified Us of the claim or proceeding in accordance with this Section, (ii) have otherwise complied with this Agreement, and (iii) allow Us sole control of the defense and settlement of the action in accordance with this Section

SECTION 5.5 <u>OUR RIGHT TO MODIFY THE PROPRIETARY MARKS.</u>

If We deem it advisable to modify or discontinue the use of any of the Proprietary Marks and/or use 1 or more additional or substitute names or marks, including due to the rejection of any pending registration or revocation of any existing registration of any of the Proprietary Marks, or due to the rights of senior users, Your are obligated to do so at Your sole expense within 30 days of Our request

SECTION 5.6 <u>OWNERSHIP; INUREMENT SOLELY TO US.</u>

You agree that (i) You have no ownership or other rights in the Proprietary Property, except as expressly granted in this Agreement, and (ii) We are the authorized sub-licensor of the Proprietary Property You agree that all good will associated with the Anago Unit Franchise inures directly and exclusively to AFI's benefit and is AFI's exclusive property except through profit received from the operation or possible permitted sale of the Anago Unit Franchise during the Term If You secure in any jurisdiction any rights to any of the Proprietary Marks (or any other Proprietary Property) not expressly granted under this Agreement, You will immediately notify Us and immediately assign to AFI all of Your right, title and interest to the Proprietary Marks (or any other Proprietary Property) not expressly granted under this Agreement

ARTICLE 6 - THE MANUAL AND OTHER CONFIDENTIAL INFORMATION

SECTION 6.1 IN GENERAL.

To protect Our reputation and good will and to maintain uniform standards of operation under the Proprietary Marks, You will conduct Your Anago Unit Franchise in accordance with the Unit Franchise Operating Manual The Manual is deemed an integral part of this Agreement

SECTION 6.2 CONFIDENTIAL USE.

(a) You will treat and maintain the Confidential Information as Our confidential and trade secrets The Manual will be kept in a secure area You will strictly limit access to the Confidential Information to Your employees, to the extent they have a "need to know" in order to perform their jobs You will report the theft, loss or destruction of the Manual immediately to Us Upon the theft, loss or destruction of the Manual, We will loan to You a replacement copy for a fee as described in Section 3 1(r)

(b) You agree that, during and after the Term, You, Your owners and employees will

(i) not use the Confidential Information in any other business or capacity, including any Competitive Business or any derivative or spin-off of the Anago concept,

(ii) maintain the absolute secrecy and confidentiality of the Confidential Information during and after the Term,

(iii) not make unauthorized copies of any portion of the Confidential Information disclosed or recorded in written or other tangible form, and

(iv) adopt and implement all procedures We require to prevent unauthorized use or disclosure of, or access to, the Confidential Information

(c) You must require all persons whom You permit to have access to the Manual or any other Confidential Information to sign Our form of confidentiality Agreement

SECTION 6.3 PERIODIC REVISIONS.

We may change the contents of the Manual You will comply with each new or changed provision beginning on the 30th day (or any longer time We specify) after written notice from Us Revisions to the Manuals will be based on what We in Our sole discretion, deem is in the best interests of the System, Us and Our Unit Franchisees, including to promote quality, enhance good will, increase efficiency, decrease administrative burdens, or improve profitability You agree that because complete and detailed uniformity under many varying conditions may not be possible or practical, We reserve the right, in Our sole discretion and as We deem in the best interests of all concerned in any specific instance, to vary standards for any Unit Franchisee due to the peculiarities of the particular site or circumstances, density of population, business potential, population of trade area, existing business practices or any condition that We deem important to the successful operation of a Unit Franchise You are not entitled to a similar variation under this Agreement You will ensure that Your copy of the Manual contains all updates You receive from Us In any dispute as to the contents of the Manuals, the Terms contained in Our master copy of each of the Manual We maintain at Our home office are controlling

SECTION 6.4 PRIOR INFORMATION.

You agree that all Confidential Information received before the Agreement Date was unknown to You except through Our disclosure and that the marketing practices and operating procedures We develop and franchise to You for the operation of the Anago Unit Franchise are important for the success of the System To the extent You receive any Confidential Information after the Agreement Date, and You do not object in writing to Us within 30 days after You receive the Confidential Information that any of the information comprising the Confidential Information should not be considered Confidential Information, then You irrevocably waive Your right to make any objection You agree that this representation is a material inducement for Us to enter into this Agreement, and any breach is an Event of Default

ARTICLE 7 - ADVERTISING

SECTION 7.1 LOCAL ADVERTISING.

You must submit to Us for approval, all materials to be used for Local Advertising of Your Anago Unit Franchise, unless they have been approved before or they consist only of materials We provided All materials on which the Proprietary Marks are used must include the applicable designation service mark SM, trademark TM, registered trademark ® or copyright ©, or any other designation We specify If You have not received the written or oral disapproval of materials submitted within 10 days from the date We received the materials, the materials are deemed approved We may require You to withdraw and/or discontinue the use of any promotional materials or advertising, even if previously approved, if in Our judgment, the materials or advertising may injure or be harmful to the System We must make this requirement in writing, and You have 5 days after receipt of notice to withdraw and discontinue use of the materials or advertising The submission of advertising to Us for approval does not affect Your right to determine the prices at which You sell Your products or services

SECTION 7.2 ADVERTISING FUND.

We have established an advertising and marketing fund for Anago Unit Franchises (the "**Fund**") We and/or AFI will have the sole discretion over the concepts, materials, media, type, nature, scope, frequency, place, form, copy, layout and content of all national, regional and local advertising paid out of the Fund The Fund will be maintained and administered by Us, AFI, or Our Designee as follows

(a) The Fund is intended to maximize general public recognition and acceptance of the Anago trademarks and System for the benefit of all Franchisees within the System, and neither We, nor AFI is obligated to make expenditures for You which are equivalent or proportionate to Your contribution or to ensure that You benefit directly or pro-rata from the placement of advertising or marketing

(b) The Fund, all contributions to the Fund, and any earnings by the Fund, are used exclusively to meet the costs and expenses of maintaining, administering, directing, conducting and preparing advertising, marketing, public relations or promotional programs and materials, and any other activities which We and/or AFI believes will enhance the image of the System, including the costs of preparing and conducting media advertising campaigns, direct mail advertising, marketing surveys and other public relations activities, employing advertising and/or public relations agencies, purchasing promotional items, conducting and administering visual merchandising, promotions and merchandising programs, and providing promotional and other marketing materials and services Advertising may be regional or national, in the following types of media print, internet, radio or television The Fund may also be used to provide rebates or reimbursements to You for local expenditures on products, services or improvements, approved in advance by Us or AFI, which We or AFI believe promote general public awareness and favorable support for the franchise System

(c) All sums that You contribute to the Fund will be accounted for separately from Our other funds and will not be used for any of Our general operating expenses However, We may use the advertising contributions to pay for the costs, expenses and overhead incurred by Us and/or AFI in activities related to the direction, implementation and administration of the Fund, including costs of personnel for creating and implementing advertising, merchandising, promotional and marketing programs Neither the Fund nor its earnings will belong to Us or AFI We do not owe any fiduciary obligation to You for administering the Fund or any other reason Separate bookkeeping accounts will be maintained for the Fund A statement of operations of the Fund will be prepared annually and will be made available to You at Your request We may opt to have the Fund audited annually, at the Fund's expense, by an independent certified public accountant

(d) If all contributions to and earnings by the Fund are not expended during the taxable year in which the contributions and earnings are received, all expenditures in the following taxable year or years are made first out of accumulated earnings from previous years, next of Our earnings in the current year and finally from contributions

(e) We and/or AFI has the right to terminate the Fund at any time, however the Fund will not be terminated until all monies in the Fund have been expended

(f) We are not required to spend any amount on advertising in Your Area of Operation

(g) We have the right, but no obligation, to use collection agents and institute legal proceedings, at the Fund's expense, to collect contributions owed to the Fund We also may forgive, waive, settle, and compromise all claims by or against the Fund Except as expressly provided in this Section 7 2, We assume no direct or indirect liability or obligation to You for collecting amounts due to, maintaining, directing, or administering the Fund Neither You nor any other Unit Franchisee is a third party beneficiary of the Fund nor has any right to enforce any obligation to contribute to the Fund

(h) We and/or AFI may at any time defer or reduce contributions of a franchisee and, upon 30 days' prior notice to You, reduce or suspend contributions to one or more Funds and their operations for one or more periods of any length and terminate (and, if terminated, reinstate) any one or more of the Funds If We terminate a Fund, We will spend all remaining monies in such Fund in Our sole discretion

ARTICLE 8 - ACCOUNTING AND RECORDS

SECTION 8.1 RECORDS.

You will maintain accurate Records for the operations of the Anago Unit Franchise Records must be segregated from all others (business and personal) not concerning the Unit Franchise You will preserve the Records for at least 10 years from the dates of their preparation (including after the termination or expiration of this Agreement)

SECTION 8.2 REPORTS AND STATEMENTS; CONFIDENTIALITY.

(a) **Monthly Reports.** You will submit to Us by the 20th day of each month during the Term, in the form We require, accurate Records reflecting the information We require If You must collect and remit sales taxes, You must also supply to Us copies of Your sales tax returns

(b) **Annual Financial Statements.** We may request that You prepare and submit an annual balance sheet and income statement, within 90 days of the end of the fiscal year prepared in accordance with Generally Accepted Accounting Principles Each annual statement must be accompanied by an unqualified review opinion from an independent certified public accountant acceptable to Us, and must be signed by You or by Your Treasurer or Chief Financial Officer attesting that the financial statements are correct and fairly present Your financial position at and for the times indicated You will also supply to Us, if requested, copies of Your federal and state income tax returns at the time these returns are filed with the appropriate tax authorities The financial statements and/or other periodic reports described above must be prepared to segregate the income and related expenses of the Anago Unit Franchise from those of any other business that You conduct

(c) **Confidentiality.** All information will remain confidential, except that You give permission to Us to release any information to Your landlord, lenders or prospective landlords and lenders, and to include information in any document under federal or state franchise laws about You or the Anago Unit Franchise

SECTION 8.3 AUDIT BY US.

We and Our representatives have the right at all reasonable times to examine and copy, at Our expense, Your Records We have the right, at any time, to have an independent audit made of Your Records

SECTION 8.4 YOUR NAME, HOME ADDRESS AND TELEPHONE NUMBER.

You agree that, under federal and state franchise registration and disclosure laws and other applicable laws, We may be required to disclose Your name, home address and telephone number and You agree to the disclosure of Your name, home address and telephone number You must notify Us of any change in Your name, home address and telephone number within 10 days of the change You release Us and Our officers, directors, stockholders, agents and legal successors and assigns from all causes of action, suits, debts, covenants, agreements, damages, judgments, claims and demands, in law or in equity, that You ever had, now have, or that You later may have from Our disclosure of Your name, home address and telephone number

ARTICLE 9 - INSURANCE

SECTION 9.1 TYPES AND AMOUNTS OF COVERAGE.

You must obtain and maintain insurance, covering Your Anago Unit Franchise, at Your expense, as We require, in addition to all other insurance that may be required by applicable law, Your landlord, lender or otherwise You are responsible for payment of all deductibles, should a claim arise All policies must be written by an insurance company reasonably satisfactory to Us with a best rating of "A" or better, and must include at a minimum

(a) Commercial general liability insurance and completed operations coverage in the amount of $1,000,000 per person/per occurrence for bodily injury and property damage combined with a general aggregate of $2,000,000, and naming Us as an additional insured in each policy,

(b) Workers' compensation coverage and unemployment insurance and all other insurance required by statute or rule of the state where the Anago Unit Franchise is located,

(c) Automobile liability insurance You agree to require that vehicles used by Your employees in the Anago Unit Franchise as well as yourself have coverage, with a combination of primary and excess limits of at least $100,000/$300,000,

(d) Surety bond of $50,000, and

(e) All other insurance, and in the amounts, We reasonably require for Our and Your protection

We may periodically adjust the amounts of coverage required under the insurance policies and require different or additional kinds of insurance at any time, including excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances, if the changes are required throughout the System including any Company Units (See Exhibit 10)

SECTION 9.2 EVIDENCE OF INSURANCE.

Within 10 days after the Agreement Date, You must furnish to Us a certificate of insurance issued by an approved insurance company showing compliance with these requirements and a paid receipt showing the certificate number The certificate of insurance must include a statement by the insurer that the policies will not be canceled, subject to non-renewal or materially altered without at least 30 days' written notice to Us Copies of all insurance policies and proof of payment will be submitted promptly to Us upon Our request to You You will send to Us current certificates of insurance and copies of all insurance policies on an annual basis

SECTION 9.3 OUR RIGHT TO PARTICIPATE IN CLAIMS PROCEDURE.

We, or Our insurer, have the right to participate in discussions with Your insurance company or any claimant (with Your insurance company) regarding any claim You agree to adopt Our reasonable recommendations to Your insurance carrier regarding the settlement of any claims

SECTION 9.4 WAIVER OF SUBROGATION.

Insofar as and to the extent that this Section may be effective without invalidating it or making it impossible to secure insurance coverage obtainable from responsible insurance companies doing business in the state where the Anago Unit Franchise is located (even though an extra premium may result), the parties agree that, for any loss that is covered by insurance then being carried by them, their respective insurance companies have no right of subrogation against the other

SECTION 9.5 EFFECT OF OUR INSURANCE.

Your obligation to maintain the policies in the amounts required is not limited in any way by reason of any insurance We maintain, nor will Our performance of Your obligations relieve You of liability under the indemnity provisions in this Agreement

SECTION 9.6 YOUR FAILURE TO MAINTAIN INSURANCE.

If You fail to maintain the insurance required by this Agreement, We have the right and authority (without any obligation to do so) immediately to procure the insurance and to charge You for the cost of the insurance, plus interest at the maximum rate permitted by law, which charges, together with a reasonable fee for Our expenses in so acting, You agree to pay immediately upon notice

SECTION 9.7 GROUP INSURANCE.

If We make available to You insurance coverage through group or master policies We arrange including property and casualty, workers' compensation, liability and health, life and/or disability insurance, You may participate, at Your expense, in this group insurance program We may charge a reasonable fee for administering any group insurance program Our insurance will not cover any losses incurred by Your operations outside the Anago System, which work will be done at Your sole risk All work done by You outside the Anago System is done solely at Your risk

ARTICLE 10 - TRANSFER OF INTEREST

SECTION 10.1 TRANSFER BY US.

We have the absolute right to transfer, assign or delegate any of Our rights or obligations under this Agreement to any person without Your consent We must however have the written consent of the Franchisor to do so If Our transferee assumes Our obligations under this Agreement and sends to You written notice of the assignment and assumption, You agree within 7 days of a request to sign a release of Us except for any liabilities from which We may not be released under any applicable law We can also transfer Our stock, engage in public and private securities offerings, merge, consolidate, acquire other businesses including Competitive Businesses, sell all or substantially all of Our assets, borrow money (secured or unsecured), deal in Our assets or otherwise operate Our business without Your consent

SECTION 10.2 YOUR TRANSFER.

(a) **Personal Rights**. The rights and duties stated in this Agreement are personal to You We have granted the Unit Franchise in reliance on Your business and personal skill, reputation, aptitude and financial capacity Accordingly, You agree that, unless otherwise expressly permitted by this Agreement, You will not sell, assign, transfer, convey or give voluntarily, involuntarily, directly or indirectly, by operation of law or otherwise (collectively "transfer") any direct or indirect interest in this Agreement or in the Unit Franchise without Our prior written consent (that may be granted or withheld by Us in Our sole discretion) However, Our written consent is not required for (i) a transfer of less than a 5% interest in a publicly held corporation, or (ii) a transfer of all or any part of Your interest to one of Your other original shareholders or partners A transfer of 25% or more of the voting or ownership interests in Your corporation, partnership or limited liability company, individually or in the aggregate, directly or indirectly, is, for all purposes of this Agreement, considered Your transfer of an interest in this Agreement Any purported transfer by You, by operation of law or otherwise in violation of this Agreement, is void and is an Event of Default

(b) **Transfer to Your Corporation**. This Agreement may be assigned to a corporation where You own all of the issued and outstanding capital stock if

(i) You actively manage the corporation and continue to devote Your best efforts and full and exclusive time to the day-to-day operation and development of the Anago Unit Franchise,

(ii) The corporation is newly organized and its only activities include acting as the Unit Franchisee under this Agreement,

(iv) The corporation cannot use the name "Anago" in any derivative or form in the corporate name,

(iv) An authorized officer of the corporation signs a document in a form We approve, agreeing to become a party bound by all the provisions of this Agreement,

(v) We approve a personal guaranty and agreement not to sell, assign, pledge, mortgage or otherwise transfer or encumber the stock of the corporation,

(vi) All stock certificates representing shares bear a legend that they are subject to this Agreement, and

(vii) You pay to Us our then current administrative fee (currently, $250)

(viii) You and the corporation execute our then current form of Assignment & Assumption Agreement, the current form of which is attached as Exhibit 11 to this Agreement

(c) **No Sub franchising Rights.** You have no right to grant a Subfranchise

(d) **No Encumbrance.** You agree that Your rights under this Agreement and any voting or ownership interest of more than 25% in a corporate, partnership or limited liability company Unit Franchisee (or in any owner of the Unit Franchisee) may not be pledged, mortgaged, hypothecated, given as security for an obligation or encumbered Any attempted encumbrance is void and is an Event of Default

(e) **Permitted Transfer.** We may consent to a transfer of any interest in this Agreement if the following requirements are satisfied or waived by Us in Our sole discretion

(i) You are not in default of any provision of this Agreement or any other agreement between You and Us or Our Business Affiliates,

ii) You sign a general release of all claims against Us, Our Business Affiliates, and our and their respective officers, directors, shareholders, representatives, agents, successors and assigns,

(iii) The transferee is not involved in a Competitive Business, whether as a franchisor, licensor or as a licensee or franchisee of any chain or system that is similar in nature or in competition with Us, except that the transferee may be Our existing Unit Franchisee,

(iiv() The transferee pays a transfer fee of the greater of (a) $2,000, or (b) 10% of the sales price, in lieu of the Initial Fee (the "**Transfer Fee**") If the transferee is a spouse or child of the transferor, no Transfer Fee will be charged but a reasonable administrative fee (currently $250) will be charged,

(vi) The transferee interviews at Our principal office without expense to Us and demonstrates to Our satisfaction that the transferee has the business and personal skills, reputation and financial capacity We require,

(vii) The transferee satisfactorily completes Our application process,

(viii) The transferee demonstrates to Our sole satisfaction that he or she has properly assumed and will be able to comply with all of his or her obligations under this Agreement You will remain liable for all obligations to Us under this Agreement before the effective date of the transfer and will sign all instruments We reasonably request to evidence these liabilities,

((viii) At the transferee's expense, the transferee completes the Anago Orientation Program then in effect for new Unit Franchisees upon all terms We reasonably require,

((ix) We are satisfied that the proposed terms of sale or other factors involved in the transfer do not materially reduce the potential ability of the transferee effectively to assume and carry out his or her obligations under this Agreement, and

(x) Our approval of any transfer is not a waiver of any future right to approve later transfers

terms of the transfer or the transferee's likelihood of success

Our consent to a transfer is not a waiver of any claims We may have against You, nor is it a waiver of Our right to demand the transferee's exact compliance with this Agreement No transfer (even if approved by Us) relieves You of liability for Your conduct before the transfer, including conduct in breach of this Agreement

SECTION 10.3 TRANSFER UPON DEATH OR DISABILITY.

(a) If any Unit Franchisee becomes disabled from any cause and is unable to perform his or her obligations under this Agreement for a continuous period in excess of 3 consecutive months, You (or Your legal representative) will within 30 days after the 3 months of disability provide and maintain a replacement satisfactory to Us to perform Your obligations under this Agreement If a replacement is not provided or maintained as required, We may (but are not obligated to) hire and maintain a replacement for You You will compensate the replacement for Your services at the rate We establish in the reasonable exercise of Our discretion For all purposes of this Agreement, any period of disability that is interrupted by a return to active work and proper performance of duties under this Agreement for 14 days or less is deemed continuous disability

(b) If (i) any individual who holds a 25% or greater voting or ownership interest in a corporate, partnership or limited liability company Unit Franchisee (or in any owner of the Unit Franchisee), or (ii) any individual who is the Unit Franchisee, dies during the Term, the interests of that individual in a corporate, partnership or limited liability company Unit Franchisee (or in any owner of the Unit Franchisee) or in this Agreement are required to be transferred within 6 months of the death to an approved transferee in accordance with the terms of this ARTICLE

ARTICLE 11 - DEFAULT AND TERMINATION

SECTION 11.1 TERMINATION BY YOU.

You do not have the right to terminate the Agreement prior to its expiration without written consent from Us

SECTION 11 2 TERMINATION BY US - WITHOUT NOTICE.

(a) Subject to applicable law, this Agreement automatically terminates without notice or opportunity to cure on the date of the occurrence of any of the following Events of Default

(i) if You damage the Anago System through violation of federal, state or local environmental laws,

(ii) if You become insolvent or make a general assignment for the benefit of creditors,

(iii) You file a petition in bankruptcy or a petition is filed against or consented to by You and the petition is not dismissed within 45 days,

(iv) You are adjudicated as bankrupt,

(v) a bill in equity or other proceeding for the appointment of a receiver or other custodian for Your business or assets is filed or consented to by You,

(vi) a receiver or other custodian (permanent or temporary) of Your business or assets is appointed by any court of competent jurisdiction,

(vii) proceedings for a composition with creditors under federal or any state law is begun by or against You,

(viii) a final judgment in excess of $5,000 remains unsatisfied or of record for 30 days or longer (unless a *supersedes* bond is filed),

(ix) execution is levied against Your operation or property, or suit to foreclose any lien or mortgage against the Premises or Your assets is begun against You and not dismissed within 45 days, or

(x) a substantial portion of Your real or personal property used in the Anago Unit Franchise is sold after levy by any sheriff, marshal or constable

(b) You will notify Us within 3 days of the occurrence of any of the events described in Subsection 11 2(a)

(c) If at any time the Subfranchise Rights Agreement is terminated, this Agreement will also terminate, provided, however, that AFI may in its sole discretion, and upon notice to you, assume Our rights and obligations under this Agreement

SECTION 11.3 TERMINATION BY US - AFTER NOTICE

You are in default and We may, at Our option, terminate all rights granted to You under this Agreement, without affording You an opportunity to cure the default, effective immediately upon notice to You, upon the occurrence of any of the following Events of Default

(a) If You cease to perform contracted service to Our Accounts for more than 3 consecutive days without Our consent,

(b) If You fail or refuse to comply with any mandatory specification, standard or operating procedure We require in this Agreement, in the Manual or otherwise in writing, on the cleanliness or sanitation of the Anago Unit Franchise,

(c) If You, or Your officer, director, owner or managerial employee is convicted of a felony, a crime of moral turpitude or any other crime or offense that We reasonably believe is likely to have a material adverse effect on the System, the Proprietary Property, the good will associated with the Proprietary Property, or Our interest in any of the Proprietary Property, unless You immediately and legally terminate the individual as an officer, director, owner and employee,

(d) If You deny Us the right to inspect the Anago Unit Franchise or to audit the Records of the Anago Unit Franchise,

(e) If You engage in conduct that is harmful to or reflects unfavorably on You or the System in that the conduct exhibits a reckless disregard for the physical or mental well being of employees, Clients, Our representatives or the public at large, including battery, assault, sexual harassment or discrimination, racial harassment or discrimination, alcohol or drug abuse or other forms of threatening, outrageous or unacceptable behavior as determined in Our sole discretion,

(f) If You, contrary to this Agreement, purport to encumber or transfer any rights or obligations under this Agreement (including transfers of any interest in You), without Our written consent,

(g) If any breach occurs under Sections 6 2 or 13 1 concerning confidentiality and non-competition covenants,

(h) If You knowingly maintain false Records, or knowingly submit any false Records to Us,

(i) If You misuse or make any unauthorized use of the Proprietary Property or otherwise materially impair the good will associated with the Proprietary Property or Our rights in the Proprietary Property,

(j) If You receive from Us 3 or more Notices of Default for the same or similar defaults during any 12 consecutive months, even if all defaults were cured,

(k) If You lose or voluntarily cease service to all Anago contracts You have agreed to service, and subsequently fail to complete corrective measures classes with 90 days of notice to attend corrective measures classes,

(l) If You stop service to contracts assigned to You and decline all subsequent offers of contracts by Anago for a period of 360 days after the last date of service to an Anago Client , or

(m) If Anago is unable to contact You because You have vacated Your premises and failed to inform the local Anago office pursuant to Section 8 4 of this Agreement

SECTION 11.4 <u>TERMINATION BY US - AFTER NOTICE AND RIGHT TO CURE.</u>

Except You are in default and We may, at Our option, terminate all rights granted to You under this Agreement effective upon delivery of notice to you, following an opportunity to cure the default, as follows (a) if a serious or imminent threat or danger to public health or safety results from the construction, maintenance or operation of the Anago Unit Franchise and the threat or danger remains uncorrected for 5 days after Your receipt of written notice from Us or a governmental authority If a cure cannot be reasonably completed in this time, then all reasonable steps to cure must begin within this time, but a cure must be completed promptly within 30 days after receipt of written notice, (b) You violate any health, safety, or sanitation law, ordinance, or regulation and do not correct the failure or refuse to do so within 3 days after written notice from Us or a governmental authority If a cure cannot be reasonably completed in this time, then all reasonable steps to cure must begin within this time, but a cure must be completed within 30 days after receipt of written notice, and (c) except as otherwise provided above, You have 30 days after delivery from Us of a written Notice of Default specifying the nature of the default to remedy any default other than as stated above, and provide evidence of cure satisfactory to Us

If any default is not cured within the applicable cure period, or any longer time as applicable law requires, all Your rights under this Agreement terminate without additional notice to You effective immediately upon the expiration of the applicable cure period or any longer time as applicable law requires In addition to the Events of Default specified in Sections 11 2, 11 3 and 11 4, an Event of Default occurs if You fail to comply with any of the requirements imposed by this Agreement, as it may be revised or supplemented by the Manual, or to carry out this Agreement in good faith You have the burden of proving You properly and timely cured any default, to the extent a cure is permitted under this Agreement

ARTICLE 12 - YOUR OBLIGATIONS UPON TERMINATION OR EXPIRATION

Upon the termination or expiration of this Agreement, the Sections of this ARTICLE apply to the rights and obligations of the parties

SECTION 12.1 CEASE OPERATIONS.

You will immediately cease to operate the Anago Unit Franchise You will not, directly or indirectly, use any of the Proprietary Property nor represent yourself as a present or former Unit Franchisee of Us or in any other way affiliate yourself with the System You will immediately cease using all stationery, signage and other materials containing the Proprietary Marks

You will cease and desist from using websites, social media accounts, and other printed and electronic identifiers associated with the Unit Franchise or with which the Unit Franchise has been identified On request, You will direct all persons responsible for or controlling such identifiers to transfer them to Us

SECTION 12.2 PAYMENT OF OUTSTANDING AMOUNTS.

We may retain all fees paid under this Agreement except for refunds expressly required in this Agreement In addition, within 10 days after the effective date of the termination or expiration, or any later dates as We determine that amounts are due to Us, You must pay to Us all amounts owed to Us, Our Affiliates and Your other creditors that are then unpaid

SECTION 12.3 DISCONTINUANCE USE OF NAME.

You will cancel any fictitious, trade or assumed name registration that contains the Proprietary Marks or any other of Our trademarks, trade names or service marks or colorable imitation thereof You will furnish Us with evidence of compliance with this obligation to cancel the registration within 30 days after termination or expiration of this Agreement If You fail to cancel, You appoint Us as Your attorney-in-fact to do so for You

SECTION 12.4 UNFAIR COMPETITION.

You agree, if You continue to operate or later begin to operate any other business, not to use any reproduction or colorable imitation of the Proprietary Marks, methods of operation or undertake any other conduct either in any other business or the promotion of any other business, that is likely to cause confusion, mistake or deception, or that is likely to dilute Our rights in and to the Proprietary Marks In addition, You agree not to utilize any designation of origin or description or representation that falsely suggests or represents an association or connection with AFI, Us or any of Our affiliates This Section does not relieve, directly or indirectly, Your obligations under ARTICLE 13

SECTION 12.5 RETURN OF MATERIALS

You will immediately deliver to Us all tangible Proprietary Property and all other physical property containing the Proprietary Marks in Your possession or control, and all copies and any other forms of reproductions of these materials unless instructed by Us to instead destroy those materials You agree that all these materials are Our exclusive property

SECTION 12.6 <u>RETURN OF EQUIPMENT.</u>

You will return any loaned equipment or You may retain equipment by paying all unpaid lease payments through the end of the lease

SECTION 12.7 <u>LIQUIDATED DAMAGES FOR PREMATURE TERMINATION.</u>

net present value of the total of all Royalty Fees, advertising contributions and Administration Fees that would have become due from the date of termination to the earlier of (i) 36 months following termination, or (ii) the scheduled expiration date of this Agreement For this purpose, the Royalty Fees, advertising contributions and Administration Fees shall be calculated based on the average Gross Revenues of your Unit Franchise for the 12 months preceding the termination date In the event your Unit Franchise has not been in operation for at least 12 months preceding the termination date, then the calculation will be based on the average Gross Revenues of your Unit Franchise for the number of full calendar months your Unit Franchise was in operation

The parties agree that a precise calculation of the full extent of the damages that We would incur on termination of this Agreement as a result of Your default, due to the loss or interruption of the revenue stream We otherwise would have derived from Your continued operation, would be difficult if not impossible to determine and the parties desire certainty in this matter, and agree that the lump sum payment provided under this Section is reasonable in light of the damages for premature termination that We will incur You and We agree that the calculation described in this Section is a calculation only of the damages from the loss of the Royalty Fees, advertising contributions and Administration Fees revenue stream and that nothing in this Section shall preclude or limit Us from proving and recovering any other damages caused by Your breach of this Agreement

<u>ARTICLE 13 - YOUR INDEPENDENT COVENANTS</u>

SECTION 13.1 <u>DIVERSION OF BUSINESS; COMPETITION AND INTERFERENCE</u>

You agree that We would be unable to protect the Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among the Unit Franchisees within the System if Unit Franchisees were permitted to hold interests in any Competitive Janitorial Franchised Business Therefore, You covenant that during the Term, (and for 24 months after the termination or expiration of this Agreement, except as We otherwise approve in writing, You will not

(i) directly or indirectly, solicit or otherwise attempt to induce, by combining or conspiring with, or attempting to do so, or in any other manner influence any of our

Business Affiliates or Current Clients to terminate or modify his, her or its business relationship with Us or to compete against Us,

(ii) directly or indirectly, as owner, officer, director, employee, agent, lender, broker, consultant, lessor, franchisee or in any other capacity be connected with the ownership, management, operation, control or conduct of a Competitive Janitorial Franchised Business within our Subfranchise Territory, or

(iii) interfere with, disturb, disrupt, decrease or otherwise jeopardize Our business or the business of any of Our Unit Franchisees

If You violate this Subsection and compete with Us, We have the right to require that all sales made by the Competitive Janitorial Franchised Business be reported to Us You will also pay to Us, on demand, a weekly fee of $1,000 without being deemed to revive or modify this Agreement These payments are liquidated damages to compensate Us for Our damages from Your violation of the covenant not to compete and are not a penalty

You agree that the length of the Term and geographical restrictions contained in this Section are fair and reasonable and not the result of overreaching, duress or coercion of any kind You agree that Your full, uninhibited and faithful observance of each of the covenants in this Section will not cause any undue hardship, financial or otherwise, and that enforcement of each of the covenants in this Section will not impair Your ability to obtain employment commensurate with Your abilities and on terms fully acceptable to You or otherwise to obtain income required for the comfortable support of yourself and Your family, and the satisfaction of Your creditors You agree that Your special knowledge of the business of an Anago Unit Franchise (and anyone acquiring this knowledge through You) would cause Us and Our Unit Franchisees serious injury and loss if You (or anyone acquiring this knowledge through You) were to use this knowledge to the benefit of a competitor or were to compete with Us or any of Our Unit Franchisees

If any court finally holds that the time or territory or any other provision in this Section is an unreasonable restriction upon You, You agree that the provisions of this Agreement are not rendered void, but apply as to time and territory or to any other extent as the court may judicially determine or indicate is a reasonable restriction under the circumstances involved

If You employ any person who at that time is, or during the last 24 months has been, employed by Us or by any of Our other Unit Franchisees, without the previous employer's consent, then You will pay to the previous employer an amount equal to 200% of that employee's annual salary (including the value of any bonus, stock option or similar additional compensation) while employed by Us or any other Unit Franchisee The payment required by this Subsection is in compensation for the training and development provided to the employee and for the loss of the employee's experience and support, and not as a penalty If the employee was employed by another Unit Franchisee, then the other Unit Franchisee is a third party beneficiary of the terms of this Subsection, with the independent right to enforce these terms The terms of this Subsection are in addition to any of Our other rights in this Agreement

SECTION 13.2 INDEPENDENT COVENANTS.

The parties agree that the covenants in this ARTICLE are independent of any other provision of this Agreement You agree that the existence of any claim You may have against Us or any of Our Affiliates, regardless of whether under this Agreement, is not a defense to Our enforcement of these covenants

ARTICLE 14 - INDEPENDENT CONTRACTOR AND INDEMNIFICATION

SECTION 14.1 INDEPENDENT STATUS.

The parties agree that this Agreement does not create a fiduciary relationship between them You are an independent contractor and unless expressly provided to the contrary, nothing in this Agreement is intended to designate either party an agent, legal representative, subsidiary, joint venture, partner, employee, Affiliate or servant of the other party for any purpose The parties agree that nothing in this Agreement authorizes You to make any Agreement, warranty or representation for Us, nor to incur any debt or other obligation in Our name Any misrepresentations of the Anago System contract specifications by You will void any contract entered into with the Client

You will take all affirmative action We request to indicate that You are an independent contractor, including placing and maintaining a plaque in a conspicuous place within the Premises and a notice on all stationery, business cards, sales literature, contracts and similar documents that states that the Anago Unit Franchise is independently owned and operated by You The content of any plaque and notice is subject to Our written approval

SECTION 14.2 INDEMNIFICATION.

You are responsible for all losses or damages from contractual liabilities to third persons from the possession, ownership and operation of the Anago Unit Franchise and for all claims and demands for damages to property or for injury, illness or death of persons directly or indirectly resulting from Your actions You will indemnify Us from all costs, losses and 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 the Anago Unit Franchise or from your breach of this Agreement unless caused by Our gross negligence or intentional misconduct This indemnity obligation continues in full effect even after the expiration or termination of this Agreement We will notify You of any claims and You will be given the opportunity to assume the defense of the matter If You fail to assume the defense, We may defend the action in the manner We deem appropriate and You will pay to Us all costs, including attorneys' fees, We incur in effecting the defense, in addition to any sum that We pay by reason of any settlement or judgment against Us Our right to indemnity under this Agreement arises and is valid regardless of any joint or concurrent liability that may be imposed on Us by statute, ordinance, regulation or other law

ARTICLE 15 - REPRESENTATIONS AND WARRANTIES

SECTION 15.1 NO RELIANCE.

This Agreement and all Exhibits to this Agreement constitute the entire Agreement between the parties and supersede any and all prior negotiations, understandings, representations, and Agreements 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

You acknowledge that You are entering into this Agreement as a result of Your own independent investigation of Our franchised business and not as a result of any representations about Us made by Our shareholders, officers, directors, employees, agents, representatives, independent contractors, or franchisees that are contrary to the terms set forth in this Agreement, or in any disclosure document, prospectus, or other similar document required or permitted to be given to You pursuant to applicable law

SECTION 15.2 OUR REPRESENTATIONS.

We make the following representations to You, which are correct upon the signing of this Agreement

(a) **Organization** We are a corporation duly organized, validly existing and in good standing under the laws of the state of California

(b) **Authorization** We have the corporate power to sign, deliver, and carry out the Termsterms of this Agreement We have taken all necessary action for proper authorization This Agreement has been duly authorized, signed and delivered by Us and is Our valid, legal and binding agreement and obligation in accordance with this Agreement, except as may be limited by applicable bankruptcy, insolvency, reorganization and other laws and equitable principles affecting creditors' rights generally

(c) **No Violation** Our performance of Our obligations under this Agreement will not result in (i) the breach of any term of any contract or agreement that We are a party to or bound by, or be an event that, with notice, lapse of time or both, would result in a breach or default, nor (ii) result in Our violation of any statute, rule, regulation, ordinance, code, judgment, order, injunction or decree

SECTION 15.3 YOUR REPRESENTATIONS.

You make the following representations to Us, which are true and correct upon signing this Agreement and throughout the Term

(a) **Organization.** If You are a corporation, limited liability company or a general or limited partnership, You are duly organized, validly existing and in good standing under the laws of Your state of organization

(b) **Authorization.** You have the power to sign, deliver, and carry out this Agreement You have taken all necessary action for proper authorization This Agreement has been duly authorized, signed and delivered by You and is Your valid, legal and binding agreement and obligation in accordance with this Agreement, except as may be limited by applicable bankruptcy, insolvency, reorganization and other laws and equitable principles affecting creditors' rights generally

(c) **No Violation.** Your performance of Your obligations under this Agreement will not result in (i) the breach of any term of, or be a default under, any term of any contract, agreement or other commitment that You are a party to or are bound by, or be an event that, with notice, lapse of time or both, would result in a breach or event of default, nor (ii) result in Your violation of any statute, rule, regulation, ordinance, code, judgment, order, injunction or decree

(d) **No Speculative Intent** You are not obtaining this Unit Franchise for speculative or investment purposes and have no present intention to sell or transfer or attempt to sell or transfer any part of this Agreement or the Anago Unit Franchise

(e) **True Copies.** Copies of all documents You must furnish to Us will be correct copies of the documents, including all amendments or modifications and will contain no misleading or incorrect statement or material omissions

SECTION 15.4 RECEIPT OF FDD.

You agree that You received from Us an FDD for the state where the Anago Unit Franchise will be located and Your state of residence, with all Exhibits and supplements to the FDD, on or before the first personal meeting with Our representatives and at least 14 Calendar Days before (a) signing this Agreement and any other agreement imposing a binding obligation on You, and (b) any payment by You of any consideration for the sale or proposed sale, of a Unit Franchise

SECTION 15.5 RECEIPT OF COMPLETED UNIT FRANCHISE AGREEMENT.

You agree that You received from Us a completed copy of this Agreement (via Exhibit B of the FDD and all related agreements, containing all material terms, (except for the date, signatures and any minor matters not material to the Agreements)), before signing this Agreement

SECTION 15.6 ACKNOWLEDGMENT OF RISK.

You agree to the following

(a) YOUR SUCCESS IN OWNING AND OPERATING THE ANAGO UNIT FRANCHISE IS SPECULATIVE AND DEPENDS ON MANY FACTORS INCLUDING, TO A LARGE EXTENT, YOUR INDEPENDENT BUSINESS ABILITY. NO REPRESENTATIONS OR PROMISES, EXPRESS OR IMPLIED, HAVE BEEN MADE BY US OR ANY OF OUR OFFICERS, DIRECTORS, EMPLOYEES, BROKERS OR

REPRESENTATIVES, TO INDUCE YOU TO ENTER INTO THIS AGREEMENT EXCEPT AS INCLUDED IN THIS AGREEMENT. NO OFFICER, DIRECTOR, EMPLOYEE, BROKER OR REPRESENTATIVE IS AUTHORIZED TO DO OTHERWISE.

(b) YOU AGREE THAT IN ALL OF YOUR DEALINGS WITH US, OUR OFFICERS, DIRECTORS, EMPLOYEES, BROKERS (IF ANY) AND OTHER REPRESENTATIVES ACT ONLY IN A REPRESENTATIVE CAPACITY AND NOT IN AN INDIVIDUAL CAPACITY. YOU AGREE THAT THIS AGREEMENT AND ALL BUSINESS DEALINGS BETWEEN YOU AND ANY INDIVIDUALS AS A RESULT OF THIS AGREEMENT, ARE ONLY BETWEEN YOU AND US.

(c) WE MAKE NO WARRANTY AS TO YOUR ABILITY TO OPERATE THE ANAGO UNIT FRANCHISE IN THE JURISDICTION WHERE THE ANAGO UNIT FRANCHISE IS TO BE OPERATED. IT IS YOUR OBLIGATION TO SEEK OR OBTAIN ADVICE OF COUNSEL SPECIFICALLY ON THIS ISSUE. IF LEGISLATION ENACTED BY, OR REGULATION OF, ANY GOVERNMENTAL BODY PREVENTS YOU FROM OPERATING THE ANAGO UNIT FRANCHISE, WE ARE NOT LIABLE FOR DAMAGES NOR REQUIRED TO INDEMNIFY YOU OR TO RETURN ANY MONIES RECEIVED FROM YOU.

ARTICLE 16 - TERM

SECTION 16.1 TERM.

The Term of this Agreement is 10 years from the Agreement Date, unless sooner terminated under ARTICLE 11 The conditions under which You have the opportunity of obtaining a Successor Anago Unit Franchise Agreement at the expiration of this Agreement are stated in Section 16 2

SECTION 16.2 OPTION TO OBTAIN SUCCESSOR ANAGO UNIT FRANCHISE AGREEMENT.

(a) You are granted unlimited options to obtain a Successor Anago Unit Franchise Agreement for Terms of 10 years each provided the following conditions are met at the time the option is exercised and immediately before the beginning of the Succeeding Term, unless another time is specified below

(i) You must give Us written notice of Your intention to exercise the option by submitting Your application at least 9 months but not more than 12 months before the end of the Term,

(ii) You cannot be in default of any provision of this Agreement or any other agreement between You and Us or Our Affiliates,

(iii) You, within 30 days before the end of the Term, must sign and deliver to Us a Successor Anago Unit Franchise Agreement that may materially differ from this Agreement,

(iv) You must comply with all other requirements We impose under the Successor Anago Unit Franchise Agreement upon its signing, except that there is no new Initial Fee or renewal fee, and

(v) You must sign a general release of all claims against Us and Our Affiliates, and our and their respective officers, directors, shareholders, agents and employees except for liabilities that We may not require a release from under applicable state law

(b) If You have not met all of the conditions stated in Subsection 16 2(a), We may elect not to enter into a Successor Anago Unit Franchise Agreement You may, within 5 days of receipt of notice from Us that We have elected not to enter into a Successor Anago Unit Franchise Agreement, submit a notice to us indicating that you intend to sell your Unit Franchise Following Our receipt of such notice, you will have at least 180 days (if necessary, we will extend the Term of this Agreement in order to provide you at least 180 days to sell Your Unit Franchise, unless We have grounds to otherwise terminate this Agreement) to sell Your Unit Franchise, subject to Our right of first refusal and our right to approve of any transferee This transfer must be in compliance with the provisions of Subsection 10 2(e) and all the other applicable provisions of this Agreement

ARTICLE 17 - DEFINITIONS

SECTION 17.1 DEFINITIONS.

As used in this Agreement, the Exhibits attached to this Agreement and all other documents signed incidental to this Agreement and any Exhibits to those documents, the following terms have the following meanings

"**Account**" means a janitorial service contract

"**Account Transfer Fee**" means If a Client gives notice of pending cancellation or requests a transfer due to poor performance on Your part or poor Client relations, We will assign the Account to another Franchisee or if We have received 3 or more complaints from a Client or from Our Operations Department within any 30-day period concerning Your performance and We elect to transfer the Account, an Account Transfer Fee of $100 will be assessed If the transferred Account requires additional work to bring the cleanliness up to acceptable standards, You will be given an opportunity to provide labor and materials, at Your expense and You will be assessed an additional Account Transfer Fee of $50 or a total of $150 If You cannot or elect not to provide labor and materials, We will provide necessary labor and materials to the Client and deduct the expense from monies due You If We receive 3 or more complaints during a 30-day period, We may, at Our sole discretion, transfer the Account and assess a Transfer Fee of $100 If inspections by Our Operations Department show a continuous lack of proper service and/or poor quality of service, then We have the right to transfer the Account without notice and assess a $100 Transfer Fee and You will continue to pay the C-Fees, if applicable, on this Account as if it were current for the balance of the original contract term All other transfers will be assessed a $50 fee

"**Administration Fee**" means the fee described in Subsection 3 1(c)

"**Advertising Contributions**" means the payments described in Subsection 3 1(d)

"**Advance Payment Fee**" means if We advance collected funds, but the funds are not yet payable to You, You will pay a processing fee of $25 If We loan You uncollected funds, You will pay a processing fee of $25 plus interest at the rate of 18% per annum until fully paid

"**Affiliate/Business Affiliate**" means a company related to Us, for example, a parent corporation, brother/sister corporation or subsidiary corporation

"**Agreement**" means this Anago Unit Franchise Agreement, as it may be amended, supplemented or otherwise modified by an Agreement in writing signed by You and Us under Section 18 2

"**Agreement Date**" means the date of signing this Agreement

"**Anago Unit Franchise/Unit Franchise**" means the janitorial services business You are authorized to establish and operate under this Agreement

"**Anago Orientation Program/Initial Orientation/Orientation**" means the orientation described in Section 2 2

"**Business Day**" means a day other than Saturday, Sunday or a U S national holiday

"**C-Fee**" means the fee stated in Subsection 3 1(f)

"**Calendar Days**" means each day upon the calendar whether it is weekend or weekday

"**Client/Current Client**" means the person who signs a janitorial services contract and receives janitorial services

"**Company Unit**" means an Anago janitorial services business operated under the System that We own

"**Competitive Janitorial Franchised Business/Competitive Business**" means a business that is engaged, wholly or partially, directly or indirectly, in (i) providing janitorial services as part of a franchised or licensed brand, or (ii) selling franchises of janitorial services businesses

"**Confidential Information**" means all ınformatıon, knowledge, know-how and technologıes that We desıgnate as confidentıal, proprıetary or trade secrets Confidentıal Informatıon ıncludes the Unıt Franchıse Operatıng Manual and the Anago Orıentatıon Program

"**Day Porter**" means a person You provıde to a Clıent for clean-up servıces durıng the day, provıded You have a contract for normal janıtorıal servıces

"**Designee**" means 1 or more of Our representatıves who are ındependent contractors and are appoınted by Us to perform certaın of Our dutıes under thıs Agreement as descrıbed ın ARTICLE 2

"**Enforcement Costs**" means the costs descrıbed ın Sectıon 18 9

"**Event of Default**" means a breach of thıs Agreement ıncludıng those sıtuatıons descrıbed ın Sectıons 6 4, 10 2(a), 10 2(d), ARTICLE 11, 15 2(c) and 15 3(c), assumıng any requırement for the gıvıng of notıce, the lapse of tıme, or both, or any other condıtıon ıs satısfied

"**Extra Work**" means work a Clıent requests over and above the normal monthly contract such as specıal carpet cleanıng, hard servıce floor restoratıon, etc

"**FDD/Franchıse Dısclosure Document**" means Franchıse Dısclosure Documents and all ıts Exhıbıts and supplements that You dıd receıve and sıgned a receıpt ındıcatıng so

"**Franchised Unit**" means an Anago Unıt Franchıse owned and operated under the System by a Unıt Franchısee

Franchisee" means the person(s) who sıgns the Franchıse Agreement also known as the **"Franchısor"**franchıse owner

"**Generally Accepted Accounting Principles**" means those standards, conventıons and rules accountants follow ın recordıng and summarızıng transactıons, and ın the preparatıon of financıal statements Generally Accepted Accountıng Prıncıples derıve, ın order of ımportance, from (ı) ıssuances from an authorıtatıve body desıgnated by the Amerıcan Instıtute of Certıfied Publıc Accountants ("AICPA") Councıl, (ıı) other AICPA ıssuances ıncludıng AICPA Industry Guıdes, (ııı) ındustry practıce, and (ıv) accountıng lıterature ın the form of books and artıcles

"**Gross Monthly Billing**" means the gross amount of receıpts from servıces and products provıded by you to all Anago Clıents bılled before any deductıons

"**Gross Revenues**" means all of Your revenues derıved from the ownershıp or operatıon of the Anago Unıt Franchıse ıncludıng revenues from regular janıtorıal servıces, revenues from Day Porter servıces, revenues from janıtorıal servıces performed outsıde the monthly contract specıficatıons revenues from janıtorıal servıces performed on a one-tıme basıs, and revenues from Extra Work, whether paıd by cash, credıt, checks, gıft certıficates, scrıp, coupons and premıums (unless exempted by Us), exchange of servıces, property or other means of exchange, excepting only the amount of any sales taxes that are collected and paid to the taxing authority Gross Revenues includes the proceeds of any business interruption insurance Cash refunded and credit given to Clients (except credit for missing cleaning days) and receivables uncollectible from Clients will be deducted in computing Gross Revenues to the extent that the cash, credit or receivables represent amounts previously included in Gross Revenues where Royalty Fees and other amounts were paid Gross Revenues are deemed received by You at the time the goods, products, merchandise or services from which they derive are delivered or rendered or at the time the relevant sale takes place, whichever occurs first Gross Revenues consisting of property or services (for example, "bartering" or "trade outs") are valued at the prices applicable, at the time the Gross Revenues are received, for the products or services exchanged for the Gross Revenues

"**Handling Fee**" means the fee described in Section 3 1(j) of this Agreement

"**House Account**" In some cases Anago may designate a supplier where a Franchisee may go and buy supplies and pay cash or charge to the Anago Account

""**Initial Business**" means the amount of monthly gross billings from Accounts We offer to You based on the Program You selected

"**Initial Cleans**" means cleaning done specifically at the start of a new monthly contract which is billed separately

"**One-Time Cleans**" means a cleaning performed once which does not occur as a monthly contract and is billed separately

"**Initial Fee**" means the fee described in Subsection 3 1(a)

"**Initial Offering Period**" means the period described in Subsection 2 1(a)

"**Local Advertising**" means advertising and promotion You undertake in media directed primarily in Your local market area including television, radio, internet, social media, newspapers, magazines, billboards, posters, handbills, direct mail, yellow pages, sports program booklet advertising, church bulletins, collateral promotional and novelty items (for example, matchbooks, pens and pencils, bumper stickers, calendars) that prominently display the Proprietary Marks, advertising on public vehicles including cabs and buses, the cost of producing materials necessary to participate in these media and agency commissions on the production of the advertising and amounts paid to an approved regional advertising cooperative or to a merchant's association for advertising of which You are a member Local Advertising does not include payments for permanent on premises signs, lighting, purchasing or maintaining vehicles even though the vehicles display the Proprietary Marks (except the cost of the materials displayed are included), contributions, sponsorships (unless the Proprietary Marks are prominently displayed by the group or activity receiving the contribution or sponsorship), premium or similar offers including discounts, price reductions, special offers, free offers and sweepstake offers (except that the media costs associated with promoting the premium offers are included), employee incentive programs and other similar payments that We determine in Our sole discretion should not be included in determining whether You met Your obligation for Local Advertising

""**Manual**" means all manuals produced by, or for the benefit of, Us and loaned to You and any revisions prepared for the internal use of the Anago Unit Franchise

"**Note Payments**" means all payments made against any outstanding note signed by You to Us

"**Notice of Default**" means the notices described in Section 11 4

"**Operations Fee**" means the fee described in Subsection 3 1(g)

"**Premises**" means the entire real property, either owned or leased by You, where the Anago Unit Franchise is located

"**Program**" means one of the 12+ Programs available for purchase

"**Promissory Note**" means a form You will sign if You choose to and are accepted by the Us to finance a portion of Your franchise fee

""**Proprietary Marks**" means the service mark and logo "Anago" and all other trademarks, service marks, trade names, logos and commercial symbols We authorize as part of the System

"**Proprietary Property**" means AFI's, Our or Our affiliates Proprietary Marks, Confidential Information and copyrighted information that You are entitled to use under this Agreement

"**Records**" means books, financial information, reports, files, correspondence, etc for the Anago Unit Franchise

"**Regional Office/Anago Regional Office**" means the local master subfranchisor from which You purchased Your Unit Franchise

"**Royalty Fee/Royalties**" means the fee described in Subsection 3 1(b)

"**Standards Enforcement Fee**" means the fee described in Subsection 3 1(i)

"**Succeeding Term**" means the Term of the Successor Anago Unit Franchise Agreement

"**Successor Anago Unit Franchise Agreement**" means the form of Unit Franchise Agreement for new Anago Unit Franchisees at the time You elect to enter into an agreement in accordance with Section 16 2

"**System**" means the business system for operating an Anago janitorial services business, as we may periodically modify it The System includes uniform standards and procedures for business operations, management and promotion of the Anago unit franchise, promotional programs, Client development and service techniques, and other technical assistance

"**Term**" means the Term of the Agreement described in Section 16 1

"**Unit**" means either a Company Unit or a Franchised Unit

"**Unit Franchisee**" means " (i) if You are an individual, You, (ii) if You are a corporation, the individual who owns a majority of the voting and ownership interests in the corporation, (iii) if You are a partnership, the individual who is, or owns a majority of the voting and ownership interests in an entity that is a general partner of the partnership, and (iv) if You are a limited liability company, the individual who owns the majority of the membership interests in the company

"**You/Your**" means all persons signing the signature page of this Agreement as Unit Franchisee, jointly and individually and all persons owning at least 51% of the total shares of any corporation or being the managing partner of any LLC

SECTION 17.2 OTHER DEFINITIONAL PROVISIONS.

(a) All of the terms defined in this Agreement have these defined meanings when used in other documents issued under or delivered under this Agreement unless the context otherwise requires or unless specifically otherwise defined in the other document, and

(b) The term "person" includes any corporation, limited liability company, partnership, estate, trust, association, branch, bureau, subdivision, venture, associated group, individual, government, institution, instrumentality and other entity, enterprise, association or endeavor of every kind

ARTICLE 18 - GENERAL PROVISIONS

SECTION 18.1 RELEASE OF CLAIMS.

By signing this Agreement, You, and each of Your successors under this Agreement, forever release Us and Our Affiliates, Our Designees, franchise sales brokers, if any, or other agents, and their respective officers, directors, representatives, employees and agents, from all claims of any kind, in law or in equity, that may exist as of the Agreement Date under this Agreement or any other agreement between the parties, or involving Our conduct and the conduct of Our Affiliates, Our Designees, franchise sales brokers, if any, or other agents, and their respective officers, directors, representatives, employees and agents on or before the Agreement Date, including all claims, whether presently known or unknown, suspected or unsuspected, under the Unit Franchise, business opportunity, securities, antitrust or other laws of the United States, any state or locality

SECTION 18.2 AMENDMENTS.

Except as stated in this Agreement, the provisions of this Agreement cannot be amended, supplemented, waived or changed orally, except by a written document signed by the party against whom enforcement of any amendment, supplement, waiver or modification is sought and making specific reference to this Agreement Only Our President or an appointed representative has the authority to sign an amendment for Us This Section is expressly limited by the terms of Sections 18 3 and 18 7

SECTION 18.3 MODIFICATION OF THE SYSTEM.

YOU AGREE THAT AFTER THE AGREEMENT DATE WE MAY MODIFY THE SYSTEM YOU AGREE TO ACCEPT AND BE BOUND BY ANY MODIFICATIONS IN THE SYSTEM AS IF THEY WERE PART OF THIS AGREEMENT AT THE TIME OF SIGNING THIS AGREEMENT YOU WILL MAKE ALL EXPENDITURES AND MODIFICATIONS OF THE SYSTEM WE REQUIRE

SECTION 18.4 BINDING EFFECT.

The terms of this Agreement are binding upon, benefit and are enforceable by the parties and their respective personal representatives, legal representatives, heirs, successors and permitted assigns

SECTION 18.5 NOTICES.

All notices, requests, consents and other communications required or permitted under this Agreement must be in writing (including telex, telecopy and telegraphic communication) and must be (as elected by the person giving the notice) hand delivered by messenger or courier service, telecopy, telecommunicated, or mailed (airmail if international) by registered or certified mail (postage prepaid), return receipt requested, addressed to

If to Us
MNBV, Inc
1911 Douglas Blvd, Suite 85
Roseville, CA 95661

If to You
(Contact information on file)

or to any other address any party designates by notice complying with the Terms of this Section, and if to You, may be addressed to the Premises Each notice is deemed delivered (a) on the date delivered if by personal delivery, (b) on the date of transmission with confirmed answer back if by electronic transmission, and (c) on the date the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable if mailed

SECTION 18.6 HEADINGS.

The headings and subheadings in this Agreement are for convenience of reference only, are not to be considered a part of this Agreement and do not limit or otherwise affect in any way the meaning or interpretation of this Agreement

SECTION 18.7 SEVERABILITY.

(a) If any provision of this Agreement or any other agreement entered into under this Agreement is contrary to, prohibited by or invalid under applicable law or regulation, that provision only is inapplicable and omitted to the extent so contrary, prohibited or invalid, but the remainder of this Agreement is not invalidated and is given full effect so far as possible If any provision of this Agreement may be construed in two or more ways, one that would render the provision invalid or otherwise voidable or unenforceable and another that would render the provision valid and enforceable, that provision has the meaning that renders it valid and enforceable

(b) If any applicable law of any jurisdiction requires a greater notice of the termination of or nonrenewal of this Agreement (if permitted) than is required under this Agreement, or the taking of some other action not required under this Agreement, or if under any applicable law of any jurisdiction, any provision of this Agreement or any of Our requirements is invalid or unenforceable, the notice and/or other action required by that law will be substituted for the comparable provisions of this Agreement We have the right, in Our sole discretion, to modify any invalid or unenforceable requirement to the extent required to be valid and enforceable Any modification to this Agreement is effective only in that jurisdiction, unless We elect to give the modification greater applicability, and this Agreement is enforced as originally made and entered into in all other jurisdictions

SECTION 18.8 WAIVERS.

The failure or delay of any party at any time to require performance by another party of any provision of this Agreement, even if known, will not affect the right of that party to require performance of that provision or to exercise any right under this Agreement Any waiver by any party of any breach of any provision of this Agreement is not a waiver of any continuing or later breach of that provision, a waiver of the provision itself, or a waiver of any right under this Agreement No notice to or demand on any party in any case, of itself, entitles that party to any other notice or demand in similar or other circumstances

SECTION 18.9 ENFORCEMENT COSTS.

If any legal action or other proceeding is begun for the enforcement of this Agreement, or for an alleged dispute, breach, default or misrepresentation under any provision of this Agreement, the prevailing party is entitled to recover reasonable pre-institution and post-institution attorneys' fees, court costs and all expenses even if not taxable as court costs (including all fees and expenses incident to appellate, bankruptcy and post judgment proceedings), incurred in the action or proceeding, in addition to any other relief that the party is entitled Attorneys' fees include paralegal fees, administrative costs, investigative costs, costs of expert witnesses, court reporter fees, sales and use taxes, if any, and all other charges billed by the attorneys to the prevailing party If We engage legal counsel for Your failure to pay when due any monies owed under this Agreement or submit when due any reports, information or supporting Records, or for any failure otherwise to comply with this Agreement, You must reimburse Us on demand for all of the above-listed expenses We incur

SECTION 18.10 JURISDICTION AND VENUE.

Subject to the parties' obligation to arbitrate under Section 18 11 of this Agreement, We and You agree that all actions arising out of or relating to this Agreement or otherwise as a result of the relationship between You and Us must be commenced exclusively in the state or federal court which is closest to our then current principal place of business (currently, Roseville, CA), and We and You irrevocably consent to the jurisdiction of those courts and waive any objection to either the jurisdiction of or venue in those courts

SECTION 18.11 ARBITRATION.

We and You agree that all controversies, disputes, or claims between us or our affiliates, and our and their respective shareholders, officers, directors, agents, and employees, on the one hand, and you (and your owners, guarantors, affiliates, and employees), on the other hand, arising out of or related to

(i) this Agreement or any other agreement between you (or any of your owners) and us (or any of our affiliates),

(ii) the relationships created by this Agreement and claims involving AFI or ACS,

(iii)the scope or validity of this Agreement or any other agreement between you (or any of your owners) and us (or any of our affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section, which we and you acknowledge is to be determined by an arbitrator, not a court), or

(iv)(any System Standard,

must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the then-current Commercial Arbitration Rules of the American Arbitration Association All proceedings will be conducted at a suitable location chosen by the arbitrator in or within 50 miles of our then-current principal place of business (currently, Roseville, CA) All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U S C §§ 1 et seq) Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction

The arbitrator has the right to award or include in his or her award any relief which he or she deems proper, including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs, provided that the arbitrator may not declare any of the trademarks owned by us or our affiliates generic or otherwise invalid or, except as expressly provided in this Section, award any punitive, exemplary, or multiple damages against any party to the arbitration proceeding (we and you hereby waiving to the fullest extent permitted by law any such right to or claim for any punitive, exemplary, or multiple damages against any party to the arbitration proceedings)

We and you agree to be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier We and you further agree that, in any arbitration proceeding, each party must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding Any claim which is not submitted or filed as required will be forever barred The arbitrator may not consider any settlement discussions or offers that might have been made by either you or us

We and you agree that arbitration will be conducted on an individual basis and that an arbitration proceeding between us and our affiliates, or our and their respective shareholders, officers, directors, agents, and employees, on the one hand, and you (or your owners, guarantors, affiliates, and employees), on the other hand, may not be (i) conducted on a class-wide basis, (ii) commenced, conducted or consolidated with any other arbitration proceeding, or (iii) brought on your behalf by any association or agent Notwithstanding the foregoing, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute, controversy or claim that otherwise would be subject to arbitration under this Section, then all parties agree that this arbitration clause shall not apply to that dispute, controversy or claim and that such dispute, controversy or claim shall be resolved in a judicial proceeding in accordance with the dispute resolution provisions of the Agreements

Despite our and your agreement to arbitrate, we and you each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction, provided, however, that we and you must contemporaneously submit our dispute, controversy or claim for arbitration on the merits as provided in this Section

You and we agree that, in any arbitration arising as described in this Section, requests for documents shall be limited to documents that are directly relevant to significant issues in the case or to the case's outcome, shall be restricted in terms of time frame, subject matter and persons or entities to which the requests pertain, and shall not include broad phraseology such as "all documents directly or indirectly related to " You and we further agree that no interrogatories or requests to admit shall be propounded With respect to any electronic discovery, you and we agree that

(i) production of electronic documents need only be from sources used in the ordinary course of business No such documents shall be required to be produced from back-up servers, tapes or other media,

(ii) the production of electronic documents shall normally be made on the basis of generally available technology in a searchable format which is usable by the party receiving the documents and convenient and economical for the producing party Absent a showing of compelling need, the parties need not produce metadata, with the exception of header fields for email correspondence,

(iii) the description of custodians from whom electronic documents may be collected shall be narrowly tailored to include only those individuals whose electronic documents may reasonably be expected to contain evidence that is material to the dispute, and

(iv) where the costs and burdens of electronic discovery are disproportionate to the nature of the dispute or to the amount in controversy, or to the relevance of the materials requested, the arbitrator shall either deny such requests or order disclosure on condition that the requesting party advance the reasonable cost of production to the other side, subject to allocation of costs in the final award as provided herein

In any arbitration arising out of or related to this Agreement, each side may take no more than three depositions Each side's depositions are to consume no more than a total of 15 hours, and each deposition shall be limited to 5 hours There are to be no speaking objections at the depositions, except to preserve privilege

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

Any provisions of this Agreement below that pertain to judicial proceedings shall be subject to the agreement to arbitrate contained in this Section

SECTION 18.11 REMEDIES CUMULATIVE.

Except as otherwise stated in this Agreement, no remedy in this Agreement for any party is intended to be exclusive of any other remedy Each remedy is cumulative and is in addition to every other remedy given under this Agreement, now or later existing, at law, in equity, by statute or otherwise No single or partial exercise by any party of any remedy under this Agreement precludes any other exercise of any other remedy

SECTION 18.12 EFFECTIVENESS; COUNTERPARTS.

This Agreement is not effective or binding and enforceable against Us until it is accepted by Us at Our home office and signed by one of Our authorized representatives You are advised not to incur any expenses for opening the Anago Unit Franchise until You have received a final signed copy of this Agreement from Our home office This Agreement may be signed in counterparts, each is deemed an original, but all together are the same instrument Confirmation of signing by telex, telecopy, or telefax of a facsimile signature page is binding upon any party to the confirmation

SECTION 18.14 CONSENTS, APPROVALS AND SATISFACTION.

Whenever Our consent or approval is required under this Agreement, consent or approval will not be unreasonably withheld or delayed unless specifically stated in this Agreement to the contrary All consents or approvals required of Us are not binding upon Us unless the consent or approval is in writing and signed by one of Our authorized representatives Our consent or approval, whenever required, may be withheld if You are in default under this Agreement Where Our satisfaction is required under this Agreement, unless the Agreement expressly states otherwise, the satisfaction is determined in Our sole discretion

SECTION 18.14 GOVERNING LAW.

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U S C §§ 1051 *et seq* or the United States Arbitration Act, 9 U S C §§ 1 *et seq*), this Agreement and any other agreement between the parties and all transactions contemplated by this Agreement and any other agreement between the parties are governed by the laws of the state of California without regard to principles of conflicts of laws

SECTION 18.15 INTERPRETATION.

Each of the parties agrees that they have been or have had the opportunity to have been represented by their own counsel throughout the negotiations and at the signing of this Agreement and all other documents signed incidental to this Agreement None of the parties can, while this Agreement is effective or after its termination, assert that any provisions of this Agreement or any of the other documents should be construed against the drafter of this Agreement or any of the other documents

SECTION 18.17 ENTIRE AGREEMENT.

This Agreement, its Exhibits and all other written agreements expressly referenced in this Agreement, represent the entire understanding and agreement between the parties on the subject matter of this Agreement and supersedes all other negotiations, understandings and representations, if any, made between the parties No representations, inducements, promises or agreements, oral or otherwise, if any, not embodied in this Agreement, its Exhibits and all other written agreements expressly referenced in this Agreement are of any effect Nothing in this or in any related agreement, however, is intended to disclaim the representations made in the Disclosure Document We furnished to You

______**SECTION 18.17 SURVIVAL.**

All of the parties' obligations that expressly or by their nature survive the expiration or termination of this Agreement continue in full force after the expiration or termination of this Agreement until they are satisfied or by their nature expire

SECTION 18.18 FORCE MAJEURE.

Neither party is liable for loss or damage or in breach of this Agreement if the failure to perform the obligations results solely from the following causes beyond his, her or its reasonable control, specifically _(a) compliance with any applicable law, or (b) war, strikes, natural disaster or acts of God Any delay resulting from any of these causes extends performance accordingly or excuses performance as reasonable, except that these causes do not excuse payments of amounts owed to Us for any reason

SECTION 18.19 LIABILITY OF MULTIPLE UNIT FRANCHISEES.

If You consist of more than 1 person, all persons are jointly and individually liable for Your obligations under this Agreement

SECTION 18.20 THIRD PARTIES.

Except as provided in this Agreement to the contrary for Our Affiliates or Unit Franchisees, nothing in this Agreement, whether express or implied, is intended to confer any rights under this Agreement on any persons (including other Anago Unit Franchisees) other than the parties and their respective personal representatives, other legal representatives, heirs, successors and permitted assigns Except as provided in this Agreement to the contrary for any of Our Designees, nothing in this Agreement is intended to relieve or discharge the obligation of any third persons to any party to this Agreement, nor will any provision give any third persons any right of subrogation or action over or against any party to this Agreement However, Franchisee acknowledges and agrees that AFI is an intended third-party beneficiary of this Agreement, including without limitation, the provisions of this Agreement which relate to dispute resolution and payment of fees by Unit Franchisee to Subfranchisor, and that AFI has the right (but not the obligation) to enforce any provision of this Agreement as though it were a party hereto

SECTION 18.21 EQUITABLE RELIEF.

You agree that the Anago Unit Franchise is intended to be 1 of a large number of businesses identified by the Proprietary Marks in selling to the public the products and services associated with the Proprietary Marks, and therefore the failure on the part of a single Unit Franchisee to comply with the Terms of his or her Unit Franchise Agreement is likely to cause irreparable damage to Us and damages at law would be an inadequate remedy You agree that upon Your breach or threatened breach of any of the terms of the Agreement, We are entitled to an injunction restraining the breach and/or to a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and costs incurred in obtaining equitable relief This equitable remedy is in addition to all rights that We have by virtue of any of Your breaches of this Agreement We are entitled to seek this relief without the posting of any bond or security and, if a bond is nevertheless required by a court of competent jurisdiction, the parties agree that the sum of $1,000 is a sufficient bond

SECTION 18.23 RIGHT OF PARTIES.

If You default ın performıng any of Your oblıgatıons under thıs Agreement, We have the rıght (but not the oblıgatıon) to perform Your oblıgatıons and be reımbursed by You for the actual costs of so performıng, together wıth accrued ınterest permıtted under thıs Agreement on overdue amounts Interest accrues begınnıng on the 10th day after Our demand for reımbursement

SECTION 18.23 LIMITATIONS OF CLAIMS.

ALL CLAIMS, EXCEPT FOR MONIES DUE TO US UNDER THIS AGREEMENT, RELATING TO THE RELATIONSHIP BETWEEN THE PARTIES ARE BARRED UNLESS AN ACTION OR LEGAL OR ARBITRATION PROCEEDING IS FILED AND TIMELY SERVED UPON THE OPPOSING PARTY WITHIN 12 MONTHS FROM THE DATE YOU OR WE KNEW OR SHOULD HAVE KNOWN OF THE FACTS CREATING THE CLAIM, EXCEPT TO THE EXTENT ANY APPLICABLE LAW OR STATUTE PROVIDES FOR A SHORTER PERIOD OF TIME TO BRING A CLAIM, OR AS OTHERWISE REQUIRED BY LAW

SECTION 18.25 WAIVER OF PUNITIVE DAMAGES CLAIMS.

THE PARTIES WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO ALL PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT UPON A DISPUTE BETWEEN THEM, EACH IS LIMITED TO THE RECOVERY OF ACTUAL DAMAGES HE, SHE OR IT SUSTAINS

SECTION 18.26 WAIVER OF JURY TRIAL.

THE PARTIES WAIVE THE RIGHT TO A TRIAL BY JURY OF ALL CLAIMS MADE BETWEEN THEM WHETHER EXISTING NOW, OR IN THE FUTURE, INCLUDING ALL CLAIMS, DEFENSES, COUNTERCLAIMS, CROSS CLAIMS, THIRD PARTY CLAIMS AND INTERVENOR'S CLAIMS INVOLVING THE SALE, NEGOTIATION, SIGNING OR PERFORMANCE OF THE TRANSACTIONS INVOLVING THIS AGREEMENT

SECTION 18.27 RECITALS.

The recıtals set forth above are true and correct and are hereby ıncorporated ınto and made a part of thıs Agreement

Remaınder of page ıntentıonally blank

The partıes have sıgned and delıvered thıs Agreement on the Agreement Date

UNIT FRANCHISEE:

By ____________________ ____________________

Prınt Name ____________________ ____________________

Tıtle ____________________ ____________________

INDIVIDUALLY the undersıgned agrees to abıde by all restrıctıve covenants contaıned ın thıs Agreement

By ____________________ ____________________

Prınt Name ____________________ ____________________

FRANCHISORSUBFRANCHISOR:

ANAGO OF SACRAMENTO

By ____

Prınt Name ____

Tıtle ____

Exhibit 1 - ORIENTATION ACKNOWLEDGEMENT

I, ______________________________, have completed the Anago Orientation Program as provided under Section 2 2 of the Unit Franchise Agreement and have reviewed the following activities in the Unit Franchise Operating Manual as outlined below

I, ______________________________, have completed the

- **Pre-Opening Procedures**
  - Overview of Legal Entities
  - Business Licenses, Permits, and Taxes
  - Business Bank Account
- **Personnel**
  - Employment Law Basics
  - Employee Rights, Responsibilities
  - State/Province Laws
  - Recruiting Employees
  - Job Application and Interview Process
  - Personnel Policies
  - Employee Discipline
  - Employee Termination
- **Policies and Procedures**
  - Start-Up Conditions
  - Initial Business
  - Initial Offering Period
  - Offering of Initial Business
  - Transfers and Cancellations
  - Financial Procedures
  - C-Fees and Financing C-Fees
  - Service Management
- **Financial Reports**
  - Financial Statement
  - Required Reports
  - Taxes
  - Expense and Owner Accounts
  - How to Succeed in Business
- **Daily Operating Procedures**
  - Handling Complaints
  - Managing and Building My Business
  - Safety and Insurance
  - Solid Communication Techniques
  - Owner Reports
  - Initial Clean & One Time Clean
  - 5-Step Office Cleaning System
  - 10-Step Restroom Cleaning System
  - General and Miscellaneous Cleaning Procedures
  - Team Cleaning
- **Safety and Security**
  - General Safety Tips
  - Preventing Accidents and Injuries
  - First Aid
  - Fire Safety
  - Robbery/Burglary
- **Biohazards**
  - OSHA
  - Occupational Exposure and Blood Borne Pathogens
  - Labels and signs
- **Bidding and Estimating**
  - Increasing Existing Accounts
  - Prospecting for Signing New Account

____
Franchisee Signature

____
Instructor Signature

____
Date

____
Date

Exhibit 2 - LIST OF OFFICE AND MARKETING MATERIALS PROVIDED TO YOU

		Approx
Business cards*	500	$40 00
Marketing brochures	75	50 00
T-Shirts	3	45 00
Anago Apron	1	15 00
Anago Inspection Sheets	20	15 00
Anago Message Reply	20	15 00
Anago Performance Evaluations	20	15 00
Guide to Unit Franchise Operating Manual	1	500 00

TOTAL OFFICE AND MARKETING MATERIALS **$695.00**

These items are estimates only

*500 business cards are provided for one individual (not one franchise), additional business cards, or if multiple names are desired, business cards must be purchased separately

Exhibit 3 - LIST OF SUPPLIES

THE FOLLOWING LIST OF SUPPLIES IS INCLUDED IN THE INITIAL FEE UNDER THE UNIT FRANCHISE AGREEMENT FOR PROGRAMS I THROUGH X+ PURCHASERS OF PROGRAMS 0 AND 500 WILL NOT RECEIVE THESE SUPPLIES AND MUST PURCHASE THEM SEPARATELY

PURCHASERS OF PROGRAM VII OR HIGHER WILL RECEIVE TWO (2) COMPLETE SETS OF SUPPLIES

Supplies and equipment may be purchased from any source If at the time of purchase, you have your own supplies equal to the supplies listed below, you may request an equipment waiver, which will reduce your initial fee All supplies are subject to approval and must meet the standards and specifications of the Anago system

QUANTITY	ITEM
1	Box of Disposable Gloves
16	Microfiber Cloths
4	Microfiber Mops
1	White Toilet Bowl Mop
4	Quart Spray Bottles
1	Microfiber Duster
1	Quart of All Purpose Cleaner
1	Quart of Disinfectant Cleaner
1	Quart of Window Cleaner
1	Stainless Steel Cleaner (17 oz can)
1	Quart of Soft Scrub Cleaner
1	Quart of Toilet Bowl Cleaner
1	Furniture Polish (17 oz can)
1	Quart of Carpet Stain Remover

APPROXIMATE TOTAL COST $130.00

* The items listed may be substituted and changed depending on the availability and/or changes in cleaning industry standards

Exhibit 4 – MINOR EQUIPMENT

THE FOLLOWING LIST OF MINOR EQUIPMENT IS INCLUDED IN THE INITIAL FEE UNDER THE UNIT FRANCHISE AGREEMENT FOR PROGRAMS I THROUGH X+ PURCHASERS OF PROGRAMS 0 AND 500 WILL NOT RECEIVE THE MINOR EQUIPMENT LISTED BELOW AND MUST PURCHASE THEM SEPARATELY

PURCHASERS OF PROGRAM VII OR HIGHER WILL RECEIVE TWO (2) COMPLETE SETS OF MINOR EQUIPMENT

Supplies and equipment may be purchased from any source If at the time of purchase, you have your own supplies equal to the supplies listed below, you may request an equipment waiver, which will reduce your initial fee All supplies are subject to approval and must meet the standards and specifications of the Anago system

QUANTITY	**ITEM**
1	Upright Vacuum
1	Mop Pushcart w/ 6" wheels & 2 buckets
1	Brute Mobile and Wheels
1	Maid Caddy
1	Microfiber Dust Mop / 24"
2	Microfiber Mop Frames
2	Extension Handles
1	Microfiber Glass Cleaning Pad & Frame
1	Toilet Brush
1	Whisk Broom
1	Plastic Dust Pan

APPROXIMATE TOTAL COST **$430.00**

* The items listed may be substituted and changed depending on the availability and/or changes cleaning industry standards

Exhibit 5 - MAJOR EQUIPMENT

—You must lease or purchase the major equipment before You will be offered Initial Accounts

		APPROX
1	Floor Machine (buffer) 17"-20"	$695 00 - $1,595 00
1	Wet/dry vacuum	$450 00 - $750 00
1	Hand Held Vacuum	$105 00 - $145 00
	Cellular phone and Internet (e-mail) (Required)	$100 00 - $250 00
Major Equipment Total		**$1,350.00 - $2,740.00**

Exhibit 6 - ACCOUNT ASSUMPTION AGREEMENT

I, __________________________, have received, read and completely understand the Contract attached to this Account Assumption Agreement (the "Contract") I agree to assume all obligations of MNBV, Inc under the Contract and to adhere to the cleaning schedule

I have sufficient working capital to purchase all supplies and equipment necessary to operate my Anago Unit Franchise to perform the Contract and meet all expected payrolls for the first 45 days of service

I understand that this Account Assumption Agreement is subject to the terms of my Unit Franchise Agreement with MNBV, Inc including the payment of all fees as per the Unit Franchise Agreement

Service Contract - Account Name ____

Approximate ____________________ sq ft

Monthly Billing $______________________

Cost of Supplies Included in Contract Price $______________________

Cost of Day Porter Included in Contract Price $_____________________

By signing this Agreement, I agree to pay to the Subfranchisor C-Fees, if any, in accordance with Subsection 3 1(f) of the Anago Unit Franchise Agreement

I select the following options in connection with the payment of C-Fees

______3 1(f)(iv) Payment in cash for full amount of C-Fee at time of assumption (15% discount)

______ 3 1(f)(v) Payment in cash for full amount of C-Fee within 90 days of assumption (0% interest)

______ 3 1(f)(i)-(iii) Financed over 12-18 months, with interest (Option depends on Gross Monthly Billing)

______ 2 1(a)(i-viii) I am accepting this as Initial Business

____
Your Signature

____
Print Name

____________________________, 20__
Date

Exhibit 7 - PROMISSORY NOTE

U S $_____________ Date _______________, 20__

FOR VALUE RECEIVED, _____________________________________ ("You" or "Your") promise to pay to the order of MNBV, Inc , a California corporation ("We" or "Us"), at Our offices at 1911 Douglas Blvd, Suite 85, Roseville, CA 95661 or at another place We or the holder designates in writing), the principal sum of U S $_______________ (the "Loan"), or any lesser sum outstanding at the time when payment is due under this Note, in lawful money of the United States of America, together with interest accruing on this Note from the date of this Note at the rates and time provided in this Note, calculated on the daily principal balances outstanding The Loan represented by this Note is subject to the Terms of the Anago Unit Franchise Agreement dated the same date as this Note between You and Us (the "Unit Franchise Agreement") All capitalized terms not defined in this Note have the same meaning as contained in the Unit Franchise Agreement

1 **Interest Rate and Payments**

You promise to pay interest, in arrears, (calculated on the basis of a 360-day for the actual number of days elapsed) on the daily principal balances outstanding from the date of this Note at a rate per annum equal to 12% per annum The loan is repayable in ______ monthly installments of principal and interest of $__________, beginning upon the earlier of (i) 120/150/180+ days from the date of this Note, (ii) the date You assume Accounts totaling 50% or more of the Gross Monthly Billing stated in the Unit Franchise Agreement, or (iii) the date You have been offered, but have declined Accounts, that if assumed and performed would have produced the Gross Monthly Billing stated in the Unit Franchise Agreement, and on the same day of each later month The entire unpaid principal and accrued interest, if any, matures and becomes payable upon the occurrence of an Event of Default under the Unit Franchise Agreement or a default under this Note All payments under the Note will be in accordance with the Unit Franchise Agreement

2 **Late Charge; Default Interest Rate.**

A late charge equal to 5% of any installment of interest or principal that is not paid within 10 days of the date when the payment becomes payable must be included with any late payment At any time when an Event of Default exists or on the maturity of this Note, the interest rate under this Note is the lesser of (i) 18% per annum, or (ii) the maximum rate of interest permitted by applicable law (the "Default Interest Rate"), and is payable **ON DEMAND.**

3 **Acceleration of Maturity.**

If any default in the payment of any interest or principal under this Note continues for 10 days after the payment becomes due or if any other Event of Default occurs under the Unit Franchise Agreement, or any other document delivered to Us for the Unit Franchise or Your other obligation to Us, then We, or the holder of this Note, may elect to declare the entire unpaid principal amount outstanding, together with accrued interest, immediately payable and/or may increase the interest rate under this Note up to the Default Interest Rate

4 **Waivers.**

You and all endorsers and guarantors of this Note waive demand, presentment, and notice of non-payment, dishonor and protest

5 **Attorneys' Fees.**

If suit is brought for the collection of payments due under this Note, or if it is necessary to retain an attorney for collection, You and all endorsers and guarantors of this Note agree to pay reasonable attorneys' fees incurred by the holder for making collection, including all fees and costs incident to any appellate, post-judgment and bankruptcy proceedings that may result, regardless of whether the holder of this Note is obligated for the fees

6 **Venue.**

You agree that Placer County, California is the proper venue for all legal proceedings involving this Note

7 **Governing Law.**

The provisions of this Note are construed according to the laws of the state of California

8 **Consent to Changes.**

All parties liable for repayment of this Note agree that the granting to You or to any other party of any extension of time for the payment of any sums due under this Note, or for the performance of any term in this Note or in any document securing the Loan or the release of You or any other party, or Our agreement not to sue You or any other party, or the suspension of the right to enforce this Note against You or any other party, or the discharge of You or any other party, or the taking or releasing of other or additional security, does not in any way release or affect Your liability and/or of the endorsers or guarantors of this Note All rights against these parties are expressly reserved

9 **Amendment.**

This Note cannot be amended or modified nor will any waiver of any provisions of this Note be effective except by an instrument in writing signed by the holder of this Note You have signed this Note as principal and not as surety or accommodation party

10 **Prepayment.**

This Note may be prepaid, in whole or in part, at any time without penalty provided that any partial payment will be applied against the principal amount outstanding in inverse order of maturity and will not postpone the due date of any later payment unless We otherwise agree in writing in Our sole discretion

11 **Non-assumability.**

This Note is not assumable without Our written consent An assumption may be granted at Our sole discretion and may be denied without regard to a showing of an impairment of Our security or an evaluation of the creditworthiness of the proposed assuming party and regardless of whether We consent to a transfer of the Unit Franchise Agreement

12 **WAIVER OF JURY TRIAL**

YOU, BY SIGNING OF THIS NOTE, AND WE, BY ACCEPTANCE OF THIS NOTE, WAIVE THE RIGHT TO A TRIAL BY JURY OF ALL CLAIMS MADE BETWEEN YOU AND US, WHETHER NOW EXISTING OR LATER ARISING INCLUDING ALL CLAIMS, DEFENSES, COUNTERCLAIMS, CROSSCLAIMS, THIRD PARTY CLAIMS AND INTERVENOR'S CLAIMS, INVOLVING THE NEGOTIATION, SIGNING AND PERFORMANCE OF THE TRANSACTIONS TO WHICH THIS NOTE RELATES.

YOU

____

Exhibit 8 – GUARANTEED PAYMENT OPTION

GUARANTEED PAYMENT OPTION PLAN CONTRACT (GPO)

TERMS

I MNBV, Inc , d/b/a Anago of Sacramento shall pay to ______________________________ (Franchisee) on or around the 20th* of each month for all work performed in the prior month under the following conditions

A **Regular Monthly Contract Work**

1 What We shall pay You for

(i) All work performed in accordance with the contract

(ii) You shall be paid only for days actually cleaned that month if You are transferred from that Account or it is cancelled

(iii) Increases or decreases in a contract shall be paid or deducted as long as the Client has authorized such items, in writing, and You have performed the work

2 What We shall not pay You for

(i) Any work not billed by Us

(ii) Any amounts paid directly to You by a Client for work performed

(iii) Missed cleans or credits deducted by the Client

B **Extra Work and Initial Cleans (I/C)**

1 What We shall pay You for

(i) Extra Work or I/C sold by Us that You perform

(ii) Extra Work or I/C sold by You and authorized, in writing, by the Client, with copy to Us

2 What We shall not pay You for

(i) Any Extra Work or I/C not billed by Us

(ii) Any amounts paid directly to You by a Client for Extra Work or I/C performed

(iii) Extra Work or I/C not completed

C **One Time Jobs (1 X Job)**

1 What We shall pay You for

(i) One Time Jobs sold by Us that You perform

(ii) One Time Jobs sold by You and authorized, in writing, by the Client, with copy to Us

2 What We shall not pay You for

(i) Any One Time Jobs not billed by Us

(ii) Any amounts paid directly to You by a Client for One Time Jobs performed

(iii) One Time Jobs not completed

D **Supplies and Day Porter Services**

1 What We shall pay You for

(i) Supplies sold by Us and billed separately to the Client on Your behalf

(ii) Supplies sold by You and authorized, in writing, by the Client, with copy to Us

(iii) Additional Day Porter services provided by You with written authorization from the Client, with copy to Us

2 What We shall not pay You for

(i) 1 Supplies or services not billed by Us

E **Other Services**

We shall not pay You for any other services whether directly or indirectly related to janitorial service unless prior written consent is obtained from both MNBV, Inc and the Client

II Our responsibility under this contract does not extend to any unpaid invoices prior to the date of execution of this Agreement

III Your fee for this option of payment will be <u>5% (five percent)</u> of Your gross billing for that month

IV You agree that We shall deduct this fee directly from Your monthly Franchise Statement

V You agree that any amount paid to You in error or for work You did not perform must be returned to Us by either direct payment from You or We may deduct those amounts directly from Your next scheduled Franchise Statement

VI We shall not charge You back if a Client does not pay Us for services covered under this Agreement You agree that if a Client is more than 60 days past due for any monthly recurring contract that You shall suspend service until such time as the Client has brought the past due account up to a current paid status You shall not be paid for recurring Accounts that are in arrears past 60 days

VII This Agreement shall be in effect for a minimum of one year and automatically renewed each year thereafter under the same terms and conditions Prior to the end of the term, this Agreement may be cancelled by You with a written notice via certified mail Upon receipt of notice, such cancellation shall become effective for all services rendered the following month and thereafter

VIII If We determine it is necessary, We may terminate this Agreement at any time In such case, We shall provide You with a written notice and such cancellation shall become effective for all services rendered the month following receipt of notice and thereafter

**

***If You request that Your payment be sent by mail, You may receive it later than the 20th of any given month as We have no control over the timeliness of mail delivery in Your area**

Signed on ________________, 20___ this This Agreement shall be in effect beginning on the first day of ________________, 20___ (Effective Date)

MNBV, Inc , d/b/a

________________________________	________________________________
Anago of Sacramento Representative Signature	**Franchisee Signature**
Print Name –	
________________________________	________________________________
Anago of Sacramento Representative Print Name	**Franchisee Print Name**
________________________________	________________________________
Title	**Title**
________________________________	________________________________
Date	**Date**

Exhibit 9- PERSONAL GUARANTY

MEMBERS OF A LIMITED LIABILITY COMPANY, OR PARTNERS OF A LIMITED PARTNERSHIP
NAME OF UNIT FRANCHISEE ______________________________
DATE ____________________

You, the undersigned Guarantor(s) (hereinafter referred to as "GUARANTOR" or "You"), represent and warrant that You constitute [check whichever statement applies]

[ ] the shareholders of one hundred percent (100%) of the originally issued and outstanding capital stock of the above UNIT FRANCHISEE, a corporation

[ ] one hundred percent (100%) of the members of the above UNIT FRANCHISEE limited liability company ("LLC")

[ ] one hundred percent (100%) of the partners of the above UNIT FRANCHISEE limited or general partnership

organized under the laws of the state of ________________________________ This Guaranty is incorporated and made a part of a Unit Franchise Agreement between UNIT FRANCHISEE and MNBV, Inc (hereinafter referred to as "SUBFRANCHISOR"), dated ____________________________________, and will be attached thereto

1 Acknowledgments You acknowledge and agree that SUBFRANCHISOR has entered into the Unit Franchise Agreement with UNIT FRANCHISEE solely on the condition that each owner of UNIT FRANCHISEE be personally obligated and jointly and severally liable with UNIT FRANCHISEE (and with each other owner of UNIT FRANCHISEE) for the performance of each and every obligation of UNIT FRANCHISEE (and its owners) under the Unit Franchise Agreement, any amendments or modifications to the Unit Franchise Agreement, any extensions or renewals of the Unit Franchise Agreement, and under each and every Agreement ancillary to the Unit Franchise Agreement that has been or hereafter may be entered by UNIT FRANCHISEE with SUBFRANCHISOR (all of the aforementioned Agreements are collectively referred to as the "Anago Agreements")

2 GUARANTOR'S Covenants, Representations and Guaranty In consideration of and as an inducement to the execution of the Unit Franchise Agreement by SUBFRANCHISOR, You hereby personally, irrevocably and unconditionally

a represent and warrant to SUBFRANCHISOR that the Exhibits/attachments to the Unit Franchise Agreement are accurate and complete,

b agree to guarantee the prompt payment and performance of all Obligations (as hereinafter defined) of UNIT FRANCHISEE to SUBFRANCHISOR and its successors and assigns, and

c agree to be personally bound by, and personally liable for the breach of, each and every provision in the Unit Franchise Agreement and each and every provision in any of the Anago Agreements, as if You were the UNIT FRANCHISEE

The Term "Obligations" means the payment of all debts, liabilities and obligations of UNIT FRANCHISEE to SUBFRANCHISOR arising under the Anago Agreements, whether direct, indirect, absolute, contingent, matured or un-matured, extended or renewed, wherever and however incurred, together with all costs of collection, compromise and enforcement, including reasonable attorneys' fees, and the prompt performance of each and every covenant, Agreement and condition set forth in any of the Anago Agreements

3 Waivers by GUARANTOR You hereby waive

a acceptance and notice of acceptance by SUBFRANCHISOR of the foregoing guaranty,

b notice of demand for payment of any indebtedness or nonperformance by UNIT FRANCHISEE of any indebtedness or nonperformance by UNIT FRANCHISEE of any of the Obligations,

c presentment or protest of any instrument and notice thereof, and Notice of Default or intent to accelerate with respect to the indebtedness or nonperformance of any of the Obligations,

d any right You may have to require that an action be brought against UNIT FRANCHISEE or any other person as a condition of liability,

e the defense of the statute of limitations in any action hereunder or for the collection or performance of any Obligation,

f any and all rights to payments, indemnities and claims for reimbursement or subrogation that You may have against UNIT FRANCHISEE arising from Your execution of and performance under this Guaranty,

g any defense based on any irregularity or defect in the creation of any of the Obligations or modification of the terms and conditions of performance thereof,

h any defense based on the failure of SUBFRANCHISOR or any other party to take, protect, perfect or preserve any right against and/or security granted by the UNIT FRANCHISEE or any other party, and

i any and all other notices and legal or equitable defenses to which You may be entitled

4 Further Agreements and Understandings You hereby consent and agree that

a Your direct and immediate liability under this Guaranty will be joint and several with UNIT FRANCHISEE and each other GUARANTOR of UNIT FRANCHISEE,

b The death or incapacity of any GUARANTOR will not modify, amend or terminate this Guaranty,

c If You should die, become incapacitated, become insolvent or make a general assignment for the benefit of creditors, or if a proceeding under the United States Bankruptcy Code or any similar law affecting the rights of creditors generally shall be filed or commenced by, against or in respect of You or any other GUARANTOR hereunder, any and all obligations of the GUARANTOR shall, at SUBFRANCHISOR 's option, immediately become due and payable without notice,

d If any payment or transfer to SUBFRANCHISOR which has been credited against any Obligation is voided or rescinded or required to be returned by SUBFRANCHISOR, whether or not in connection with any event or proceeding described in Section 4(c), this Guaranty will continue in effect or be reinstated as though such payment transfer or recovery had not been made, e You will render any payment or performance required under the Unit Franchise Agreement and/or any of the Anago Agreements upon demand if UNIT FRANCHISEE fails or refuses punctually to do so,

f Your liability hereunder will be construed as an absolute, unconditional, continuing and unlimited obligation without regard to the regularity, validity or enforceability of any of the Obligations, and without regard to whether any Obligation is limited, modified, voided, released or discharged in any proceeding under the United States Bankruptcy Code or any similar law affecting the rights of creditors generally,

g Your liability hereunder will not be contingent or conditioned upon SUBFRANCHISOR's pursuit of any remedies against UNIT FRANCHISEE or any other person,

h This Guaranty will continue in full force and effect for and as to any extension of or modification or amendment to the Unit Franchise Agreement and/or any other of the Anago Agreements and You waive notice of any and all such extensions, modifications or amendments,

i Your liability hereunder will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence, or any waiver that SUBFRANCHISOR may from time to time grant to UNIT FRANCHISEE or to any other person, including without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims (including the release of other owners or guarantors), or the taking of any action by SUBFRANCHISOR which may have the effect of increasing Your obligations, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the Term of the Unit Franchise Agreement and so long as any performance is or may be owed under any of the Anago Agreements by UNIT FRANCHISEE or its owners and so long as SUBFRANCHISOR may have any cause of action against UNIT FRANCHISEE or its owners, and

j Any and all present and future debts and obligations of the UNIT FRANCHISEE to You or any other GUARANTORS are hereby subordinated to the full payment and performance of the Obligations

5 Submission to Arbitration You acknowledge that the UNIT FRANCHISEE has, under the Unit Franchise Agreement, agreed to submit disputes to arbitration You agree that all disputes arising under or involving this Guaranty shall be submitted to arbitration as described in Section 18 11 of the Unit Franchise Agreement

6 Choice of Law, Jurisdiction and Venue This Guaranty, and any claims related thereto, shall be governed by and construed in accordance with the laws of the state of California You hereby irrevocably submit to the jurisdiction of the Placer (or its successor) in California and for Placer County, and any appellate court thereof in any action or proceeding arising out of or relating, directly or indirectly, to the Guaranty You hereby irrevocably waive, to the fullest extent You may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding and any right to jurisdiction on account of Your place of residence or domicile You agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law

7 Waiver of Right to Jury Trial GUARANTOR expressly waives the right to a trial by jury for any claims relating directly or indirectly to this Guaranty and/or the Anago

Agreements, the negotiation of the Guaranty and/or the Anago Agreements, or the business relationship relating to or arising out of the Guaranty and/or the Anago Agreements

8 Severability If one or more provision contained in this Guaranty shall be invalid, illegal or unenforceable, in any respect under the laws of any jurisdiction, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby

You now execute this Guaranty on the date shown above

Name

____________________,
____________________,
individually

Name

____________________,
____________________,
individually

Name

____________________,
____________________,
individually

Name

____________________,
____________________,
individually

Name

____________________,
____________________,
individually

witness

witness

witness

witness

witness

Exhibit 10 - FRANCHISE INSURANCE REQUIREMENTS

I. General Provisions

1 Anago Franchising, Inc is added as Additional Insured on policies per below
2 Policies include a written Waiver of Subrogation
3 Clients are automatically added to policy whenever they enter into a signed contract with Anago

II. Workers Compensation Insurance

Workers Compensation must cover all employees, including Unit Franchise Owners No representative of Anago is permitted to enter a Client's building unless covered by Workers Compensation Insurance

Minimum Limits

Bodily Injury by Accident	$500,000 each accident
Bodily Injury by Disease	$500,000 Policy Limit
Bodily Injury by Disease	$500,000 each employee

III Bond $50,000

IV General Liability

General Aggregate Limit	$2,000,000
Per Occurrence Limit	$1,000,000
Products and Completed Operations	$2,000,000
Non-Owned Automobile Liability*Personal and Advertising Injury Limit	$1,000,000
Medical Expense	$ 15,000
Hired & Non-Owned AutoLiability (HNOA)*	$1,000,000
Commercial Umbrella (To follow GL & HNOA)	$1,000,000

*Please note that HNOA is NOT Your primary auto insurance You are required to carry primary auto insurance per Your State's requirements Some personal auto insurance policies may not cover You while driving to and from Clients Please talk to Your local insurance agent to verify that You are covered

V. Additional Coverages

Lost Key Coverage	$100,000
Limited Pollution Coverage	$300,000
Care, Custody & Control	$300,000
Business Income (Actual Sustained Losses)	12 Months
Business Income Dependent Properties	$100,000
Pollutant & Contaminants Cleanup	$50,000
Theft of Customer Property (from other than insured)	$15,000
Loss of Refrigeration	$25,000
Claims Expense	$50,000
Contract Penalties	$50,000

$50,000	EmployeeDishonesty
Employee Tools Coverage	$25,000
Forgery or Alteration	$50,000
Money Orders & Counterfeit Paper Currency	$25,000
Fire Department Surcharge	$25,000
Fire Device Recharge	$25,000
Personal Affects	$50,000

IMPORTANT

Master and/or Unit Franchisees must provide proof of every required coverage If you are not insured through Anago's policy or policies, you are required to notify Anago of any changes or lapse in coverage of your policy or policies Failure to do so is a material default to your Franchise Agreement. Certificates of Insurance and Declarations Pages typically will not list all of the coverage's required by Anago. Upon request, Franchisees might need to provide copies of the entire insurance policy, including all endorsements, in order to provide evidence of that they meet all of the above requirements.

Additional Insured Language

All policies shall list "Anago Franchising, Inc , Anago Cleaning Systems, Inc , and MNBV, Inc are listed as Additional Insured"

Certificate Holder

Anago Franchising, Inc
Pompano Beach52035203 NW 33rd Avenue
Fort Lauderdale, FL 33309

Exhibit 11 – ASSIGNMENT & ASSUMPTION AGREEMENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Assignment") is made and entered into this __________ day of __________ by and between MNBV, Inc ("SUBFRANCHISOR"), ____________________ ("ASSIGNOR") and ____________________ ("ASSIGNEE")

BACKGROUND

A SUBFRANCHISOR and ASSIGNOR entered into a certain Unit Franchise Agreement dated ____________________________ (the "Franchise Agreement"), whereby ASSIGNOR was granted the right and undertook the obligation to operate an Anago Unit Franchise in the area identified in the Franchise Agreement (the "Franchised Unit"),

B ASSIGNOR has formed ASSIGNEE for the convenience and purpose of owning and operating the Franchised Unit,

C ASSIGNOR desires to assign his or her rights and obligations under the Franchise Agreement to ASSIGNEE pursuant to, and in accordance with, the provisions of the Franchise Agreement, and

D SUBFRANCHISOR is willing to consent to the assignment of the Franchise Agreement to ASSIGNEE, subject to the terms and conditions of this Assignment, including, without limitation, ASSIGNOR's agreement to guarantee the performance by ASSIGNEE of its obligations under the Franchise Agreement and to continue to be bound by all the provisions of the Franchise Agreement

AGREEMENT

In consideration of the mutual covenants contained in this Assignment, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged, and intending to be legally bound, the parties agree as follows

1 ASSIGNOR hereby assigns and transfers over to ASSIGNEE all of ASSIGNOR's rights, title and interest in and to the Franchise Agreement, effective as of the date of this Assignment

2 ASSIGNEE hereby assumes all of ASSIGNOR's obligations, assignments, commitments, duties, covenants and liabilities under the Franchise Agreement, and agrees to be bound by and observe and faithfully perform all of the obligations, assignments, commitments and duties of the franchisee under the Franchise Agreement with the same force and effect as if the Franchise Agreement were originally written with ASSIGNEE as franchisee

3 ASSIGNOR agrees that ASSIGNOR shall continue to be bound by all of the terms, covenants, conditions and obligations of franchisee under the Franchise Agreement, including, without limitation, all non-competition, confidentiality and indemnification obligations, and that nothing contained in this Assignment herein shall be deemed to relieve ASSIGNOR of any of ASSIGNOR's obligations in the Franchise Agreement ASSIGNOR further agrees to execute SUBFRANCHISOR's form of personal guaranty, simultaneously with the execution of this Assignment

4 This Assignment is entered into in the State of Master California and shall be construed and interpreted in accordance with its laws, which laws shall control in the event of any conflict of law

5 This Assignment shall be binding and inure to the benefit of the parties and their respective heirs, successors and assigns

6 ASSIGNOR and ASSIGNEE acknowledge and agree that they are bound by the dispute resolution provisions in the Franchise Agreement ASSIGNOR and ASSIGNEE further agree that they have and will continue to have a substantial relationship with SUBFRANCHISOR at its offices in MNBV, Inc and that, with the exception of SUBFRANCHISOR's right to seek injunctive relief in any appropriate jurisdiction as set forth below, any action by or against them arising out of or relating to this Assignment will be commenced, litigated, and concluded only in the state or federal court which is closest to SUBFRANCHISOR's then current principal place of business (currently MNBV, Inc) ASSIGNOR and ASSIGNEE irrevocably submit to the jurisdiction of such court and waive any objection they may have to either the jurisdiction or venue of such court ASSIGNOR and ASSIGNEE further waive any objection that such court is an inconvenient forum SUBFRANCHISOR shall have the option, at its sole discretion, of bringing any action seeking equitable relief to enforce the terms of this Assignment in any court of competent jurisdiction in order to prevent real or threatened harm, and ASSIGNOR and ASSIGNEE consent to the entry of injunctive relief, including, without limitation, temporary restraining orders and/or preliminary and permanent injunctions without the requirement of bond, according to the usual equity rules in the jurisdiction in which such relief is sought

7 The Franchise Agreement and this Assignment, and any exhibits thereto or hereto, shall constitute the entire integrated assignment between the parties with respect to the subject matter contained herein and shall not be subject to change, modification, amendment or addition without the express written consent of all the parties

8 In the event that it becomes necessary for SUBFRANCHISOR to retain the services of legal counsel to enforce the terms of this Assignment, SUBFRANCHISOR shall be entitled to recover all costs and expenses, including reasonable attorneys', expert and investigative fees, incurred in enforcing the terms of this Assignment

9 Each party declares that the terms of this Assignment have been completely read and are fully understood and voluntarily accepted by each party, after having a reasonable opportunity to retain, and confer with counsel This Assignment is entered into after a full investigation by the parties, and the parties are not relying upon any statements or representations not contained in this Assignment

10 The persons executing this Assignment on behalf of ASSIGNEE acknowledge their authority to do so

11 The obligations of ASSIGNOR and ASSIGNEE under this Assignment are joint and several

I HAVE READ THE ABOVE ASSIGNMENT AGREEMENT AND UNDERSTAND ITS TERMS I WOULD NOT SIGN THIS AGREEMENT IF I DID NOT UNDERSTAND AND AGREE TO BE BOUND BY ITS TERMS

[The Next Page is the Signature Page]

IN WITNESS WHEREOF, the undersigned have affixed their signatures hereto as of the day and date first written above

ASSIGNOR

BY ____________________________

SUBFRANCHISOR

MNBV, Inc

BY ____________________________
TITLE ____________________________

ASSIGNEE

BY ____________________________

EXHIBIT C – LIST OF SUBFRANCHISOR'S UNIT FRANCHISEES

The following lists pertain to Our current and former franchisees

(a) **Operational Franchisees.** The following are the names, addresses, telephone numbers, and Agreement Dates of all our franchisees as of December 31, 2017, who are operational

Contact	Company	City St Zip	Phone	Purchase Date	
Umesh Chand	USC Cleaning Systems	Sacramento CA 95823	916-422-7368	12-02-04	
Fareena Chand	Fareena's Cleaning	West Sacramento CA 95691	916-373-9934	12-27-04	
James McCready	Jim McCready	Yuba City CA 95991	530-671-6929	03-07-05	
James Elder	ADVANCED SOLUTIONS	RANCHO CORDOVA CA 95742	916-275-6705	07-10-07	
Reyna Hernadez	Amanda's Janitorial	Carmichael CA 95608	916-489-1779	01-04-08	
Mahen Singh	Mahen's Professional Cleaning Service	Sacramento CA 95822	916-471-9051	01-28-08	
Jolene Sanchez	Jolene's Janitorial Service	Sacramento CA 95827	916-308-0094	02-20-08	
Damaris Burt	Burt's Cleaning Services	Sacramento CA 95823	916-706-4631	02-25-09	
Jerri Turner		Antelope CA 95843	916-825-3197	04-19-12	
Ricardo Santiago	RICARDO SANTIAGO	Sacramento CA 95841	915-912-2185	09-27-13	
MARI CARMEN RIOS	MARY'S CLEANING SPECIALIST	NORTH HIGHLANDS CA 95660	916-504-6043	03-23-15	
SANJAY NARESH		SACRAMENTO CA 95822	916-410-1624	04-22-15	
AYAZ A KHAN		Sacramento CA 95820	510-978-7755	09-01-16	Reactivated 06/01/2017
ERIKA / TYRONE PATTERSON	LPB JANITORIAL	SACRAMENTO CA 95835	707-249-1413 (ERIKA)	03-10-17	
GREGORY SWAFFORD	G&S BUILDING SOLUTIONS, INC	SACRAMENTO CA 95829	916-718-1163	05-03-17	

(b) **Franchises Signed But Not Yet Operational.** The following are the names, addresses, telephone numbers, and Agreement Dates of all our franchisees as of December 31, 2017, who are not yet operational, but have signed a Franchise Agreement

None

(c) **Former Franchisees.** The followings are the names, last known addresses, telephone numbers, Agreement Dates, Termination Dates and Reason Codes for Termination of all Franchisees that have been terminated, canceled, not renewed, or otherwise voluntarily ceased to do business under a Franchise Agreement during the most recently completed fiscal year or who have not communicated with Us within 10 weeks of the effective date of this FDD

Contact	Company	City St Zip	Phone	Purchase Date	Ceased Op	Reason
Gustavo Galicia	Sunset Janitorial	Sacramento CA 95838	916-920-3739 HM	02-28-07	07-20-17	LS
Vladimir Krautsou	Vlad Cleaning Services	Sacramento CA 95829	916-247-2994	02-19-08	01-17-17	LS

Code	Reason
TR	Transferred
C	Cancelled by Franchisor
Term	Terminated by Franchisor
NR	Not Renewed
RF	Reacquired by Franchisor
LS	Left the System (Unit Franchisee's Decision)
I	Inactive-No Contact or not accepting work

EXHIBIT G – CALIFORNIA ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

Attached as Exhibit G is state-specific addendums to the Franchise Disclosure Document

ADDITIONAL DISCLOSURES FOR THE FRANCHISE DISCLOSURE DOCUMENT OF MNBV, INC.

The followıng are addıtıonal dısclosure for the Franchıse Dısclosure Document of **MNBV, INC.** requıred by vanous Calıfornıa franchıse law

1 The Calıfornıa Franchıse Investment Law requıred a copy of all proposed agreements relatıng to the sale of the franchıse be delıvered together wıth the offenng cırcular
2 Calıfornıa Busıness and Professıons Code sectıon 20000 through 20043 provıdes nghts to the franchısee concernıng termınatıon, transfer or non-renewal of a franchıse If the franchıse agreement contaıns a provısıon that ıs ınconsıstent wıth the law, the law wıll control
3 The franchıse agreement provıdes for termınatıon upon bankruptcy Thıs provısıon may not be enforceable under federal bankruptcy law (11 U S C A Sec 101 eq seq)
4 The franchıse agreement contaıns a covenant not to compete whıch extends beyond the termınatıon of the franchıse Thıs provısıon may not be enforceable under Calıfornıa Law
5 Prospectıve franchısees are encouraged to consult pnvate legal counsel to determıne the applıcabılıty of Calıfornıa and federal laws (such as Busıness and Professıons Code Sectıon 20040 5, Code of Cıvıl Procedure Sectıon 1281, and the Federal Arbıtratıon Act) to any provısıons of a franchıse agreement restnctıng venue to a forum outsıde the State of Calıfornıa
6 Sectıon 31125 of the Calıfornıa Corporatıons Code requıres us to gıve you a dısclosure document, ın a form contaınıng the ınformatıon that the commıssıoner may by rule or order requıre, before a solıcıtatıon of a proposed matenal modıfıcatıon of an exıstıng franchıse
7 OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at www dbo ca gov
8 You should revıew the Department of Busıness Oversıght's lıterature on janıtorıal franchıses before purchasıng thıs franchıse
    a http //www dbo ca gov/lıcensees/franchıse_ınvestment_law/pdf/look_before_you_leap_eng pdf
    b http //www dbo ca gov/lıcensees/franchıse_ınvestment_law/pdf/look_before_you_leap_spanısh pdf

FDD # ________________

EXHIBIT H – ACKNOWLEDGMENT OF RECEIPT

This disclosure document summarizes certain provisions of the Unit Franchise Agreement and other information in plain language Read this disclosure document and all Agreements carefully

If MNBV, Inc 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, MNBV, Inc or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law Under Iowa law, We must give You this disclosure document at the earlier of Our 1st personal meeting or 14 calendar days before You sign an Agreement with, or make a payment to, Us or an affiliate in connection with the proposed franchise sale Under Michigan law, We must give You this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first Under New York law, We must provide this disclosure document at the earlier of the 1st personal meeting or 10 business days before You sign a binding agreement with, or make a payment to, Us or an affiliate in connection with the proposed franchise sale

If MNBV, Inc does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D C 20580 and the appropriate state agency identified on Exhibit A

We, MNBV, Inc are a Subfranchisor for Anago Franchising, Inc and Our principle address is 1911 Douglas Blvd, Suite 85, Roseville, CA 95661, Tel (916) 782-3300 The franchise seller(s) for this offering is/are

Jesse Hammond	________________
MNBV, Inc	MNBV, Inc
1911 Douglas Blvd,	1911 Douglas Blvd,
Suite 85	Suite 85
Roseville, CA	Roseville, CA
95661	95661
jesse@anagosac com	________________

Issuance Date April 30th, 2018

See Exhibit A for MNBV, Inc's registered agents authorized to receive service of process

I have received a disclosure document dated April 30th, 2018 that included the following Exhibits

A - State Administrators/Agents For Service Of Process
B - Anago Franchise Agreement
C - List of Subfranchisor's Franchisees
D - Financial Statements of Subfranchisor
E - Financial Statements of Franchisor
F – Table of Contents for Unit Franchise Operating Manual
G – California Addendum
H - Acknowledgement of Receipt

________________	________________	________________
Date	Signature	Printed Name
________________	________________	________________
Date	Signature	Printed Name

Please sign this copy of the receipt, print the date on which You received this disclosure document and return it in person the same day You are disclosed

(copy #1 - to be returned to the local office)

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________________	________________	________________
Date	Signature	Printed Name
________________	________________	________________
Date	Signature	Printed Name

Please sign this copy of the receipt, print the date on which You received this disclosure document and return it in person the same day You are disclosed

(copy #2 - to be retained for Your records)